CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Bharat Daftary	Chairman and Managing Director
Dr. Gautam Daftary	Vice-Chairman and Managing Director
Mr. Siddharth Daftary	Whole-time Director
Mr. Nitin Deshmukh	Nominee Director
Dr. Sunny Sharma	Nominee Director
Mr. Ajeet Singh Karan	Independent Director
Mr. Suketu Shah	Independent Director
Mr. Manu Daftary	Independent Director
Mr. Suresh Lal Goklaney	Independent Director
Mr. Shahzaad Siraz Dalal	Independent Director
Ms. Nafeesa Adil Moloobhoy	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Anil Damle

COMPANY SECRETARY

Mr. Charudatta Samant

AUDITORS

Deloitte Hoskins & Sells LLP,
Statutory Auditor
Indiabulls Finsnce Center
Tower 3, 27th - 32nd Floor,
Senapati Bapt Marg,
Elphinstone Road (West)
Mumbai - 4000 013,

M/s. Hemant Shah & Associates
Cost Auditor

M/s. JHR & Associates
Secretarial Auditor

BANKERS

EXIM Bank
IDBI Bank Limited
Bank of Baroda
DBS Bank Limited
Ratnakar Bank Limited
Axis Bank Limited

REGISTERED OFFICE

17th Floor, Hoechst House,
Nariman Point,
Mumbai - 400 021.

CORPORATE OFFICE

3rd Floor, Liberty Tower,
Plot K-10, Behind Reliable Plaza,
Kalwa Industrial Estate, Airoli,
Navi Mumbai - 400 708.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills
Compound, L.B.S. Marg,
Bhandup (West),
Mumbai - 400 078.

PLANT LOCATIONS

AMBERNATH FACTORY

Plot No. K-27, Anand Nagar,
Additional M.I.D.C.
Ambernath - East
Pin - 421 501.

THANE FACTORY

Plot No. A371-372,
Road 27,
Wagle Industrial Estate,
Thane - 400 604.

R&D CENTRE

3rd Floor, Liberty Tower,
Plot K-10, Behind Reliable Plaza,
Kalwa Industrial Estate,
Airoli, Navi Mumbai - 400 708.

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CHAIRMAN MESSAGE

Dear Shareholders,

It is a pleasure to inform you that with your continued support, trust and our collective efforts, we have been able to register good growth consistently - F Y 18 -19 has shown a growth of 16.5% over F Y 17-18 in terms of overall consolidated income of your Company. While BSV India Domestic business registered a growth of 7% the International business at consolidated level, grew by 46.2%.

Within India, domestic business of your company registered a growth of 7%. Growth was mainly driven by Gynecology segment where major products contributing to the growth were Anti-D and Hormone range. As you are aware, your Company is reputed for its products in the Gynecology and Critical Care segments with many “firsts” to its credit and we proudly share with you the fact that we continue to be at a number 1 or 2 position in the Indian market in respect of our major products.

Your Company's International Business is continuing to be on a growth trajectory. Consistent marketing efforts and steadily increasing coverage with increased field force has helped us register growth in sales of finished goods. Due to certain anticipated changes in the regulatory environment in the key operating market, growth in sale of bulk to third party from BSV Bioscience GmbH had remained subdued in the F Y 17-18. I am happy to share with you the fact that in F Y 18-19 sales to third party has rebounded and has more than doubled in INR terms.

Your Company's wholly owned subsidiary in the Philippines, has registered Revenue of INR 3,546 Lakhs in the current year. Looking at the market potential, we had expanded the field force and we are seeing the results now – BSV Bio Philippines has registered a sales growth of 16.15% in INR terms.

Your company has ramped up R&D investment to firm up its position of strength in its focus therapeutic segments. In the financial year just ended, growth in the R&D spend was 44.4% over previous year and as % to our total consolidated revenue, the spend in the financial year was a good 5%.

Your company has recorded total Income at a consolidated level for the year just ended, of INR 88,482 Lakhs (PY INR 75,948 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 18,711 Lakhs (PY INR 14,357 Lakhs) registering, a growth of 30.3% in EBIDTA.

Your company is confident of delivering a substantial growth in sales and profitability in the coming year. On the domestic front, new divisions focused on new therapeutic segments, new product Launches and new product registrations in various institutions will drive the growth. On the International front, the revenue growth drivers would continue to be new product registrations in various countries and further improved marketing focus on select export markets. In the year, your company received 60 new registrations and, in the next year your company expects to receive another 50-55 registrations.

I would like to conclude with a heartfelt thanks to all our stakeholders for their continuing and strong support to the company, which is vital to the pursuit of sustainable growth as well as to your company's commitment to “*Bringing Life to Life*”.

Best Wishes,

Sd/-
Bharat Daftary
Chairman and Managing Director
Date: July 30, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMA OUTLOOK

Global prescription drug sales are expected to grow at an annual compound rate of 6.4% from F Y 2018 to 2024 to reach US$1.2 trillion in 2024, driven primarily by increased access to medicines and novel therapies which will meet the unmet needs. Challenges to growth will include pricing pressure due to government regulation, competition from generics & biosimilars as also patent expires. The growth will be driven primarily by emerging markets supported by an increasing middle class. In Deloitte's 2018 outlook, worldwide pharmaceutical R&D spend was forecast to grow at the rate of 2.4% p.a. to 2022, as against the annual growth rate of 2.5% between 2008 and 2016. Further, inabsolute terms, the R&D spend was projected to reach US$181 billion in 2022. However, on the backdrop of falling returns on R&D investments, growth in R&D spend is projected to be subdued.

Biotechnology products have been steadily contributing to the sales growth and are predicted to contribute to 31% of the global pharmaceutical market by 2024.Driven by gene and cell therapy segment, Orphan drug sector is expected to double and account for 20% of the world prescription sales.

On therapy front, Oncology leads therapy areas in sales and is likely to grow to US$233 billion by 2024. Highest CAGR growth during 2017 to 2024 in the top 15 therapy categories is expected to come from immunosuppressants, oncology, dermatological and vaccines which is expected to grow to US$38.1billion (39.5%), US$233 billion (12.2%), US$30.3 billion (12.97%) & US$44.6 billion (10.13%) respectively by 2024.

(Source: Deloitte Global Lifesciences Outlook)

INDIAN PHARMA MARKET OUTLOOK

Indian pharmaceutical industry stood at US$ 33 billion in 2017 and is expected to grow at a CAGR of 22.4% over 2015–20 to reach US$ 55 billion driven by a steady increase in affordability and market access. India's pharmaceutical exports stood at US$19.14 billion in 2018-19 and is expected to reach US$ 20 billion by 2020.

Indian companies received 300 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30% (by volume) and about 10% (value) in the US$ 70-80 billion US generics market.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30% a year and reach US$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62% of the total revenues at Rs 12,600 crore (US$ 1.89 billion).

Growth drivers include population growth, increasing affordability, enhanced accessibility and rising acceptability.

R&D spend increased as % to sales from 5.3% in F Y 2012 to 8.5% in F Y 2018 and is expected to be at similar level in F Y 2019 and F Y 2020.

Medicine spending in India is expected to increase at 9-12% CAGR between 2018-22 to US$ 26-30 billion, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards fast growing chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers. In terms of geographies, significant growth is expected to come from Metro and Tier-I markets, driven by rapid urbanisation and greater economic development. Driven by increased penetration, rural markets are expected to grow the fastest.

(Source: Indian Pharma 2020 Mckinsey& Co.; IBEF Report)

BUSINESS REVIEW

Within India, your company's domestic business grew by 7%. While Gynacology segment grew by close to 10.2%, growth in Critical Care segment remain subdued Growth in Gynacology segment was contributed by Anti-D and Hormone range backed with additional tender for Anti-D in U.P. and Maharashtra and brand extension in Hormone range. Within Critical Care segment, growth was contributed mainly by Bharglob and Amphonex backed with indication expansion for Bharglob and introduction of Amphonexin corporate formulary.

The international business at consolidated level, grew by 46.2%. Like domestic business, in international business too, the growth was driven by Gynaecology segment, which in turn was mainly contributed by Anti-D and Hormone Range. Growth was contributed mainly by focus on trade business with better marketing efforts coupled with increased field force.

Going ahead, your company is looking at improving and sustaining profitability by focusing on a higher double-digit growth in the domestic and exports business. On the domestic front, the drivers of revenue growth would be launch of new divisions focused on new therapeutic segments, new product Launches and new product registrations in various institutions. On the exports front, the revenue growth drivers would be new product registrations in various countries and focus on select export markets for intensive promotion of products. In the year we received 60 new registrations and, in the next year we expect to receive another 50-55 registrations. Your company is poised to benefit from higher healthcare spend in developing markets, particularly Asia and the Middle East, which would continue to be major contributor to the spending in life sciences in the times to come.

Your Company's subsidiary BSV Bioscience Philippines, Inc. revenue grew from INR 3,053 Lakhs in F Y 17-18 to INR 3,546 Lakhs in the current year mainly because of better penetration with the increased number of field force which was doubled in F Y 16-17 and was further expanded in F Y 17-18.

Your company's subsidiary BSV Bioscience, GmbH grew by 47%in INR terms backed with 114% growth in sale to third party from INR 3,583 Lakhs in F Y 18 to INR 7,665 Lakhs in the current year.

FINANCIAL PERFORMANCE REVIEW

Your company recorded total Revenue, at a consolidated level, of INR 88,482 Lakhs (PY INR 75,948 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 18,711 Lakhs (P Y INR 14,357 Lakhs) registering a growth of approx. 16.5% in revenue, 30.3% in EBIDTA.

On Standalone basis, total Revenue stood at INR 79,628 Lakhs (P Y INR 72,336 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 17,298 Lakhs (P Y INR 13,571 Lakhs) registering a growth of approx. 10.1% in revenue, 27.5% in EBIDTA.

INTERNAL CONTROL SYSTEM

The Company has proper and adequate internal controls commensurate with the size of its operations and which are designed to assist in identification and management of risks. These controls ensure integrity of accounting, proper authorization, accurate recording and reporting of all the transactions in accordance with the applicable accounting standards, compliance with the organizational policies, practices and various governmental regulations and statutes. The internal control system also monitors and acts as control against any unauthorized use or disposition of assets, thus safeguarding the company's properties & ensures proper segregation of duties.

With a view to further strengthen these controls and to ensure their continued effectiveness, various areas are identified by the management for audit. During the year under review, the company appointed an Independent internal Auditor to conduct audit in the areas of CFA Operations, Payroll processing, Sales force incentive, Logistics & Factory Material Movement. Based on its recommendations the internal controls were strengthened further.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman and Managing Director

Place: Mumbai
Date: July 30, 2019

BOARD'S REPORT AS ON MARCH 31, 2019

To,
The Members,
Bharat Serums & Vaccines Limited.

Your Directors take pleasure in presenting the 46th Board Report of the Company together with Audited Financial Statements for the year ended March 31, 2019.

FINANCIAL PERFORMANCE.

The financial performance of your Company for the year ended March 31, 2019 is summarized below:

1. **Financial summary or highlights / Performance of the Company:** *(Standalone)*

   On Standalone basis, total income of the Company was INR. 79,628 lakhs (INR. 72,336 lakhs) and after deducting total expenses of INR. 62,330 lakhs (INR. 58,765 lakhs), the operating profit before finance costs, depreciation and tax for the period was INR. 17,298 lakhs (INR. 13,571 lakhs) and the profit before tax was INR. 14,124 lakhs (INR. 9,577 lakhs). The operations during the period resulted in Total comprehensive income {net profit (after tax) including other comprehensive income} of INR. 9,725 lakhs (INR. 7,401 lakhs).

2. **Financial summary or highlights/Performance of the Company:** *(Consolidated)*

   On Consolidated basis, total income of the Company was INR. 88,482 lakhs (INR. 75,948 lakhs) and after deducting total expenses of INR. 69,771 lakhs (INR. 61,590 lakhs), the operating profit before finance costs, depreciation and tax for the period was INR. 18,711 lakhs (INR. 14,358 lakhs) and the profit before tax was INR 15,063 lakhs (INR. 9,953 lakhs). The operations during the period resulted in Total Comprehensive Income {net profit (after tax) including other comprehensive income} of INR. 10,811 lakhs (INR. 8,221 lakhs).

DIVIDEND.

a. Equity Shares:

The Board recommend payment of Equity Dividend @ of 25% per equity share of INR 5/- each for the financial year ended March 31, 2019 on 1,88,39,234 Equity Shares, amounting to INR 2,35,49,042.50 (Rupees Two Crores Thirty-Five Lakhs Forty-Nine Thousand Forty-Two and Paise Fifty only) and such dividend payout is subject to the approval of members at the ensuing Annual General Meeting.

b. Preference Shares:

In accordance with the terms of Preference shares the Board recommends a Preference dividend for the financial year ended March 31, 2019 at the rate of:-

a. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) and additional participatory dividend @ 25% on each CCPS–I on pro-rata basis to be paid on 7,14,119 CCPS – I of INR. 5/- each, amounting to INR.8,93,005.81 (including Coupon rate);
b. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) and additional participatory dividend @ 25% on each CCPS–II on pro-rata basis to be paid on 10 CCPS – II of INR. 5/- each, amounting to INR.12.51 (including Coupon rate);
c. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series III (CCPS-III) and additional participatory dividend @ 25% on each CCPS–III on pro-rata basis to be paid on 9,19,243 CCPS – III of INR. 5/- each, amounting to INR.11,49,513.37 (including Coupon rate);

d. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS-IV) and additional participatory dividend @ 25% on each CCPS–IV on pro-rata basis to be paid on 3,69,135 CCPS – IV of INR. 5/- each, amounting to INR.4,61,603.32 (including Coupon rate);

e. 0.01% per Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) on each NCNCRPS on pro-rata basis to be paid on 1,97,69,917 NCNCRPS of INR. 5/- each, amounting to INR. 9,884.96 (Coupon rate);

The dividend is subject to the approval of members at their ensuing Annual General Meeting.

The Register of Members and Share Transfer Books shall remain close on August 26, 2019 for payment of Dividend for the financial year ended March 31, 2019 and the Annual General Meeting. The dividend will be paid to members whose names appear in the Register of Members as on book closure date i.e. August 26, 2019 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by Depository Participant, as beneficial owners as on that date. Dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accumulate.

TRANSFER TO RESERVES.

As per the provisions of the Companies Act, 2013, it is not mandatory to transfer any sum to General Reserve of the Company before deceleration of any dividend in any Financial year. However, your Directors propose to transfer INR. 500 lakhs to the General Reserve out of the Net Profit of INR. 9,725 lakhs.

SHARE CAPITAL.

The paid-up share capital of the Company as on March 31, 2019 was INR. 20,30,58,290/- consisting of:-

a. 1,88,39,134 Equity Shares of INR.5/- each;

b. 100 Differential Voting Rights Equity Shares (DVRS) of INR. 5/- each;

c. 7,14,119, 0.01% Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) of INR. 5/- each;

d. 10, 0.01% Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) of INR. 5/- each;

e. 9,19,243, 0.01% Compulsorily Convertible Cumulative Preference Shares Series III (CCPS-III) of INR. 5/- each;

f. 3,69,135, 0.01% Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS-IV) of INR. 5/- each;

g. 1,97,69,917,0.01%Non-Convertible Non-Cumulative Redeemable Preference shares (NCNCRPS) of INR. 5/- each.

AMALGAMATION / MERGER.

The National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated September 4, 2018 has approved the Scheme of Amalgamation of Kasiak Research Private Ltd ("Kasiak") with the Company. As per the terms of the Scheme of Amalgamation, after cancellation of 22,298 Equity Shares of Kasiak, 1,04,221 Equity Shares of INR. 5 each and 1,97,69,917 Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of INR. 5/- each of the Company were allotted to the shareholders of Kasiak for each share of INR.10 each (Number of Equity Shares 16,553) held by them in the share capital of Kasiak.

SUBSIDIARY/ JOINT VENTURE & ASSOCIATE COMPANY.

Your Company has Four wholly owned subsidiaries, namely:-
(i) BSV Biosciences, Inc., which is formed in the State of California, United States of America;
(ii) BSV Bioscience GmbH., which is formed in Germany;
(iii) BSV Bioscience Philippines Inc., which is formed in Philippines; and
(iv) Eurolife Regen Private Limited.

Other than as stated above, no other Subsidiary Companies were formed or divested during the year under review. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operations of the aforesaid Subsidiary / Joint Venture / Associate Company is annexed in **ANNEXURE – II** to this report.

Financials are in accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

CORPORATE GOVERNANCE.

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with applicable provisions of Companies Act, 2013. A detailed report on Corporate Governance & Management's Discussion and Analysis for the year under review, is presented in separate sections forming part of this Annual Report.

Pursuant to the requirements of Companies Act, 2013 your Board has adopted policies such as Corporate Social Responsibility Policy, Risk Management Policy and Whistle Blower and Vigil Mechanism Policy. These policies are available on the website of the Company and can be viewed on www.bharatserums.com.

The Audit Committee of the Board has been vested with the powers and functions relating to Risk Management which inter alia includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to risk assessment and minimization; and (c) formulation, implementation and monitoring of the risk management plan.

CORPORATE SOCIAL RESPONSIBILITY.

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of your Company has, pursuant to provisions of the Companies Act, 2013 and rules thereunder has approved a CSR Policy. Your Company shall also undertake the other CSR activities Listed in Schedule VII of the Companies Act, 2013. The details of CSR activities undertaken during the period, by the Company is annexed to this report as per **ANNEXURE - IV**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Your Board comprises of Eleven Directors, which consists of two Managing Directors and One Whole-time Director who are Executive Directors, and Eight Non-Executive Directors out of which two are Nominee Directors and Six are Independent Directors. All Directors including Independent Directors provide their declarations both at the time of appointment and annually. Independent Directors also confirms that they meet the criteria of Independence as prescribed under Companies Act, 2013.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Bharat Daftary Chairman & Managing Director, Dr. Gautam Daftary, Vice Chairman & Managing Director, Mr. Siddharth Daftary, Whole-time Director, Mr. Anil Damle, Chief Financial Officer and Mr. Charudatta Samant, Company Secretary are Key Managerial personnel of the Company.

APPOINTMENT AND DECLARATION OF INDEPENDENT DIRECTORS.

All the Independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

AUDIT & AUDITORS REPORT.

1. **Statutory Auditor.**

Deloitte Haskins & Sells LLP, Chartered Accountants (FRN NO.: 117366W/W-100018),are Statutory Auditors of the Company, for a period of five years from the conclusion of this 45th Annual General Meeting (AGM) of the Company till the conclusion of the 50th Annual General Meeting (for the Financial Year from 2018 – 2023).

2. **Cost Auditor.**

M/s Hemant Shah & Associates, Cost Accountants, Mumbai, are Cost Auditor of the Company having Firm Registration No.000394. The Board of Directors recommends M/s Hemant Shah & Associates, Cost Accountants, Mumbai, as Cost Auditor, having Firm Registration No.000394, as being eligible and offer themselves for appointment as Cost Auditor of the Company for F. Y. 2019-20.

3. **Secretarial Auditor.**

During the year, Secretarial Audit was carried out by M/s JHR & Associates– Practicing Company Secretary, having Fellow Membership No. 4317 & C.P. No. 2520 in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. With regards to comments of the Secretarial Auditor on delayed filing of e - forms and non-spend on CSR Directors wish to clarify that necessary steps will be taken for ensuring compliance with in time. Unspent CSR for earlier years has already been spent during the current year by the Company is annexed to this report as per **ANNEXURE - IV**

MEETINGS & COMMITTEE.

1. **Board Meeting Chart.**

During the financial year, six Board Meetings were convened and held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

NAME OF DIRECTOR	DATE OF BOARD MEETINGS					
	Apr 27, 2018	July 31, 2018	Sep 27, 2018	Oct 22, 2018	Feb 8, 2019	Mar 29, 2019
Mr. Bharat Daftary	Present	Present	Present	Present	Present	Present
Dr. Gautam Daftary	Present	Present	Present	Present	Present	Present
Mr. Siddharth Daftary	Absent	Absent	Present	Present	Present	Present
Mr. Girish Bakre*	Absent	Absent	NA	NA	NA	NA
Mr. Nitin Deshmukh	Absent	Absent	Absent	Present	Present	Absent
Dr. Sunny Sharma	Present	Present	Present	Present	Present	Present
Mr. Suketu Shah	Absent	Present	Present	Present	Absent	Present
Mr. Ajeet Singh Karan	Present	Present	Present	Present	Present	Present
Mr. Manu Daftary	Absent	Absent	Absent	Present	Present	Absent
Ms. Nafeesa Moloobhoy	Absent	Absent	Present	Present	Present	Absent
Mr. Shahzad Dalal	Present	Absent	Present	Absent	Present	Present
Mr. Suresh Goklaney	Present	Present	Present	Present	Present	Present

2. Audit Committee Meeting Chart.

During the financial year, five Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

NAME OF MEMBER	DATE OF AUDIT COMMITTEE MEETINGS				
	Apr 27, 2018	July 31, 2018	Sep 27, 2018	Oct 22, 2018	Feb 8, 2019
Mr. Nitin Deshmukh	Absent	Absent	Absent	Present	Present
Dr. Sunny Sharma	Present	Present	Present	Present	Present
Mr. Suketu Shah	Absent	Present	Present	Present	Absent
Mr. Ajeet Singh Karan	Present	Present	Present	Present	Present
Mr. Manu Daftary	Absent	Absent	Absent	Present	Present

**Expired on August 15, 2018.*

3. Nomination and Remuneration Committee Meeting.

In compliance with the Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board *which inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. Your Company has also adopted a Remuneration Policy. The Copy of the Policy has been uploaded on the Company's Website viz. www.bharatserums.com. During the financial year, no meeting of Nomination and Remuneration Committee was convened and held.

4. Corporate Social Responsibility Committee Meeting.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - IV of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's website at (URL: http://. www. bharatserums. com During the financial year, two Meetings of Corporate Social Responsibility Committee were convened and held.

NAME OF MEMBER	DATE OF CSR COMMITTEE MEETINGS	
	Apr 27, 2018	Oct 22, 2018
Mr. Bharat Daftary	Present	Present
Dr. Gautam Daftary	Present	Present
Mr. Ajeet Singh Karan	Present	Present

VIGIL MECHANISM / WHISTLE BLOWER POLICY.

As per Section 177 of the Companies Act, 2013, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Company's Code of conduct.This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization.The Copy of the Policy has been uploaded on the Company's Website viz. www.bharatserums.com.

RISK MANAGEMENT POLICY.

Your Company has established a written Risk Management Policy. Board of Directors are overall responsible for identifying, evaluating and managing all significant risks faced by the Company and the Board of Directors are continuously ensuring efficient risk management and monitoring potential risks faced by the Company, internally as well as externally.

DISCLOSURES.

1. Particulars of loans, guarantees and investments under section 186:

Particulars of loans, guarantees and investments made by the Company required under Section 186 (4) of the Companies Act, 2013 are contained in Note No.8&9 to the Standalone Financial Statements.

2. Transactions with Related Parties.

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Information on material transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in form AOC-2 is annexed to this report as per **ANNEXURE - III**.

3. Deposits.

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the Balance Sheet.

4. Extract of Annual Return.

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this reportas **ANNEXURE - V.** The Annual Return isalso available on the website of the Company and can be viewed on www.bharatserums.com.

5. Obligation of Company under,The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year Company, has not received any Complaints of such harassment which required attention and to be dealt with, as per the procedure laid down in the Act and in line with Company policies.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

During the period under review no significant and material commitments affecting the financial position of the Company have occurred between the financial year of the Company to which the financial statements relate and the date of the report.

7. Details of significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

During the period under review no significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

8. Maintenance of Cost Records:

During the period under review cost records were made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed to this report as **ANNEXURE**-I.

DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2018-2019, your Directors confirm that:

a. The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2019 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
b. Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019, and, of the profit of the Company for the year ended on that date;
c. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
d. Requisite internal financial controls were laid down and that such financial controls are adequate and operating effectively; and
e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

COMPLIANCE IN RESPECT OF SECRETARIAL STANDARDS.

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS.

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

PARTICULARS OF EMPLOYEES.

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as **ANNEXURE - VI**.

HUMAN RESOURCES:

The Directors express their appreciation for the contribution made by the employees during the year. The Human Resources have always been the Company's valuable asset and the Company's thrust area is to attract, develop and retain talent. The Company continues to operate the open culture and has maintained congenial work atmosphere and healthy industrial relations.

The total headcount of the Company as on March 31, 2019 was 1739.

CAUTIONARY STATEMENT.

Statements in this Report and annexures to this Report which describes the Company's objectives, projects, estimates, expectations may contain "forward looking statements" within the meaning of applicable laws and regulations. The success in realizing these depends on various internal and external factors. The actual results may be different from what the Directors / Management envisage in terms of future performance and outlook.

ACKNOWLEDGEMENT.

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels that have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation received from the Central and State Governments including Ministry of Chemicals and Fertilizers, Ministry of Health and Family Welfare, Ministry of Human Resource Development and other stakeholders including Bankers, Financial Institutions, Investors, Service Providers as well as regulatory and government authorities.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

ANNEXURE INDEX

Annexure No.	Content
I.	Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.
II.	Form AOC – 1
III.	AOC 2 – Related Party Transactions disclosure.
IV.	Corporate Social Responsibility.
V.	MGT 9 – Extracts of Annual Return.
VI.	Particulars of Remuneration of Employees.

ANNEXURE - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

(The information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.)

Conservation of Energy:

i.	**Steps taken or impact on conservation of energy.**	**For energy conservation following steps taken to run utility with close monitoring of equipment's: -** a. Running alternate small capacity systems during extra working hours; b. Running lower capacity utility equipment during non-operating hours; c. Operations of utility are done based on process requirement i.e. Numbers of chiller, AHU's Cooling system and other utility; d. Installed of new cooling system to increase efficiency of chillers leading to reduced chiller rating; e. Installation of VFD for some continuous running equipment's like Air compressor, AHU's etc. done which will lead to minimized electrical consumptions ; f. Equipment Efficiency Improved by maintaining Power factor of APFCR control panels to save energy; g. Installation of Building Management system done for HVAC to run system with controlled parameters; h. Phase wise replacement of some of the Electrical CFL fitting to LED fitting done to save energy.
ii.	**Steps taken by the Company for utilizing alternate sources of energy.**	Company working on feasibility to switched over from to Biodiesel to PNG (Piped Natural Gas).
iii.	**Capital investment on energy conservation equipment.**	Upgradation of effluent treatment plant with MBR Technology is completed. It will save Electricity load as MBR Technology is filtration Technology.

Technology Absorption:

i.	**The efforts made towards technology absorption.**	a. Company made efforts towards the development of GnRh product (Luprodex 3.75 mg/11.25 mg/ 22.5 mg) by incorporation of Nutche filter and increment in batch size for all 3 range of Luprodex. b. ASVS Lyophilized by increment in batch size from 8823 units to 17000 units by development of Lyophilization cycle from 24 hours to 25 hours.
ii.	**the benefits derived like product improvement, cost reduction, product development or import substitution.**	a. With process optimization, the Company has achieved significant improvement in yields of Equine antibodies range of Products; b. With better process controls/ standardization, the company has achieved substantial yield improvement (more than 3%) in OVIPURE 5000 I.U., HP HMG 150, Thymogam, Thromboflux 7.5 L, Equirab 1000 IU and FSH 75 HP; c. Upgradation of QMS system with EU GMP regulations for entire plant. d. 21CFR Part 11 compliance for building management system with server redundancy for Unit 1 Production A and QC department; e. IC DAS 2.1 online temperature monitoring systems for incubators, stability chambers and cold rooms with alarm excursion levels in QC department; f. Online temperature monitoring systems for product storage area (RM store, central packaging & FGS); g. Automated CIP SIP skid for cleaning of equipment and product pipelines for Unit 1 production A; h. Upgradation of processing system for spray drier compliance to 21CFR Part 11 in

		I Installation of microbial identification systems (Vitek -2) in QC department j. Installation of desiccant air drier compliance to ISO 8573 class 2; k. Installation of new 200 KL water storage tank in Utility department to ensure enough water flow due to increase of production demand and new production lines become functional. l. Installation done for Integrated lines & higher capacity lyophilizer in Unit 1 production B; m. Reduction in water testing costs & external testing by trend analysis and rationalization of sampling points/ timepoints; n. Standardization of primary packaging material to lower rejects at various stages of washing, filling and sealing and thereby increment in yields; o. Company has completed commissioning of manufacturing area for one of its API – monoclonal Anti D, which will substitute the API which is currently being imported from USA. Trial run conducted and found satisfactory;
iii.	**In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): -**	*Company has not imported any technology hence information below is not applicable.*
	(a) the details of technology imported	*N.A.*
	(b) the year of import	*N.A.*
	c) whether the technology been fully absorbed	*N.A.*
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	*N.A.*
iv.	**the expenditure incurred on Research and Development**	*N.A.*

Foreign Exchange Earning and Outgo:

During the year under review, there were INR.21,805.41 Lakhs as Foreign Exchange Earnings and INR.21,868.27 Lakhs as foreign exchange outgoing.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019.

ANNEXURE II

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures as per Companies Act, 2013 for the year ended March 31, 2019.

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary is to be presented with amounts in Rupees in Lakhs)

Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than subsidiary)	Turnover	Profit before taxation	Profit After taxation	Proposed dividend	Mode & % of shareholding
BSV Biosciences Inc., USA	$	1,000,000 shares of US $ 1 each	(380.02)	127.36	65.55	NIL	534.47	47.77	47.21	NIL	100%
BSV Bioscience GmbH, Germany	€	Capital Stock € 1,025,000	1922.57	6954.01	4171.17	NIL	13137.69	912.04	815.11	NIL	100%
BSV Biosciences Philippines Inc, Philippines	₱	10,000,000 shares of ₱ Peso 1 each	(324.59)	1342.99	1525.71	NIL	3545.53	(425.35)	(373.77)	N.A.	100%
Eurolife Regen Private Limited	INR	10,00,000 Shares of INR. 10 each	(263.26)	0	163.26	NIL	NIL	(0.55)	(0.55)	NIL	100%

Notes:

1. Names of subsidiaries which are yet to commence operations- N.A.
2. Names of subsidiaries which have been liquidated or sold during the year. N.A.

Part "B": ASSOCIATES & JOINT VENTURES

		Shares of Associates/ Joint Venture held by the Company on the year end March 31, 2019				Profit/ Loss for the year			
Name of Associates/ Joint Ventures	Latest audited balance sheet date	Numbers	Amount of Investment in Associates/ Joint Ventures	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not considered in Consolidation	Description of how there is significance influence	Reason why associate/ joint venture is not consolidated
N.A.									

For and on behalf of the Board

Sd/-

Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

ANNEXURE III

Particulars of Related Party Transactions

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1.Details of contracts or arrangements or transactions not at arm's length basis:-

Name(s) of the related party and nature of relationship	The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
Nature of contracts/arrangements/transactions	
Duration of the contracts / arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

2. Details of material contracts or arrangement or transactions at arm's length basis:-

Name(s) of the related party and nature of relationship.	BSV Biosciences GmbH, Wholly Owned Subsidiary of the Company.
Nature of contracts/ arrangements/ transactions.	Purchase of Active Pharmaceuticals Injections(API).
Duration of the contracts / arrangements/transactions.	An agreement entered with effect from July 28, 2017is valid for 3 years.
Salient terms of the contracts or arrangements or transactions including the value, if any.	As Transfer Pricing get change on yearly basis.
Date(s) of approval by the Board, if any.	Not Applicable, since the contracts/ arrangements/ transactions was entered into an ordinary course of business and on arm's length basis.
Amount paid as advances, if any.	NIL.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

ANNEXURE IV

CORPORATE SOCIAL RESPONSIBILITY

(Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)

As part of its initiatives under Corporate Social Responsibility ("CSR") and your Company's vision to drive 'holistic empowerment' of the community around the local vicinity of our plant and the society at large, your Company has undertaken the following projects /CSR activities through various social welfare organization which includes Trusts & NGO's, in accordance with CSR policy of the Company, read with Schedule VII of the Companies Act, 2013 or any amendment thereof.

A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is as follows: -
https://www.bharatserums.com/policy/CSR_Policy.pdf

The Composition of the CSR Committee is as follows: -

Mr. Ajeet Singh Karan – Chairman and Independent Director.
Mr. Bharat V. Daftary – Member.
Dr. Gautam V. Daftary– Member.

Average net profit of the Company for last three financial years is:- INR. 7059.09 Lakhs.

Prescribed CSR Expenditure for the financial year 2018-19 is:- INR. 141.18 Lakhs.

Details of CSR spent during the financial year is:-INR. 41.43 Lakhs were spent during the FY 2018-19 in addition to INR. 206.10 Lakhs already spend from the accumulated amount.

Amount unspent, if any: INR. 99.75 Lakhs.

Reason for not spending the amount: -

The Company is in the process of identifying the suitable projects in the area of Education, Research/ Study and Healthcare in rural areas for the CSR purpose and planning to spend the amount in the coming months. However, the Company has already spent the entire balance amount INR 99.75 Lakhs till signing of this Board Report.

Responsibility Statement: -

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is confirmed that the CSR Committee has implemented and monitored CSR Policy which is in compliance with CSR objectives and policy of the Company.

Details of the CSR activities of the Company for the Financial Year 2018-19:

(Amount in INR.)

Sr. No	CSR Project or Activity Identified	Sector in Which the Project is Covered	Location of Projects or Programs undertaken		Amount Outlay (Budget) Project or Program wise	Amount Spent on Projects or Programs	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through Implementing Agency
			Local Area or Other	District (State)		Direct Expenses		
1	Promoting preventive health care	Promoting preventive health care	Navi Mumbai	Maharashtra	9,00,000	9,00,000	9,00,000	Through - Children Of The World (India) Trust
2	Rural Development	Rural Development	Mokhada	Maharashtra	18,50,480	18,50,480	18,50,480	Through - Chirag Rular Development Foundation

Sr. No	CSR Project or Activity Identified	Sector in Which the Project is Covered	Location of Projects or Programs undertaken		Amount Outlay (Budget) Project or Program wise	Amount Spent on Projects or Programs	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through Implementing Agency
			Local Area or Other	District (State)		Direct Expenses		
3	Promoting preventive health care	Promoting preventive health care	Palghar	Maharashtra	10,00,000	10,00,000	10,00,000	Through - Dr. M. L. Dhawale Memorial Trust
4	Infrastructure Development at old age homes	Promoting preventive health care	Mumbai	Maharashtra	11,25,000	11,25,000	11,25,000	At KamldhamVrudhshram, Ambernath
5	Infrastructure development at Education set up	Promotion of Education	Vardha	Maharashtra	25,00,000	25,00,000	25,00,000	Through - Mahatma Gandhi Institute of Science and Technology, Vardha, Akola
6	Infrastructure development at Education set up	Promotion of Education	Jalna	Maharashtra	15,00,000	15,00,000	15,00,000	Through - Matsyodari ShikshanSanstha
7	Hunger Eradication	Promoting preventive health care	Kalyan	Maharashtra	12,75,000	12,75,000	12,75,000	Through – Prem Seva Mahila Mandal
8	Skill Development Projects	Skill Development Projects	Mumbai	Maharashtra	57,90,000	57,90,000	57,90,000	Through – Rotary Culb of Charities
9	Promoting preventive health care	Promoting preventive health care	Sangroli, Nanded	Maharashtra	2,50,000	2,50,000	2,50,000	Through – Sanskruti Samrvardhan Mandal
10	Promoting preventive health care	Promoting preventive health care	Sangmner	Maharashtra	20,00,000	20,00,000	20,00,000	Through - Sau. Mathurabai BhausahebSevabhavi Trust
11	Promoting preventive health care	Promoting preventive health care	Sangmner	Maharashtra	51,00,000	13,61,429	13,61,429	Through - Shreemad Rajchandra Love and Care Trust
12	Promoting preventive health care	Promoting preventive health care	Araku valley	Andhra Pradesh	14,55,000	14,55,000	14,55,000	Through – Think Peace Organisation
13	Setting up old age homes	Setting up old age homes	Goa	Goa	30,00,000	30,00,000	30,00,000	The Society of the Franciscan - Home for Senior Citizen at Goa
14	Promoting preventive health care	Promoting preventive health care	Mumbai	Mumbai	1,50,000	1,50,000	1,50,000	Through - Shri Walkeshwar Sthanakvasi Jain & Tata Memorial Centre
15	Promoting preventive health care	Promoting preventive health care	Mumbai	Mumbai	1,00,000	1,00,000	1,00,000	Through – United Way of Mumbai
16	Administrative Cost for monitoring all funded Projects	CSR Consultant	Mumbai	Mumbai	4,96,667	4,96,667	4,96,667	CSR Consultant
	Total CSR Spent				**2,84,92,147**	**2,47,53,576**	**2,47,53,576**	

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

Annexure - V
MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24230MH1971PLC015134
2.	Registration Date	April 29, 1971
3.	Name of the Company	Bharat Serums & Vaccines Ltd.
4.	Category / Sub-Category of the Company	Company Limited by Share/ Indian Non- Government Company
5.	Address of the Registered office and contact details	17th Floor, Hoechst House, Nariman Point, Mumbai- 400021
6.	Whether listed company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel: 022 2594 6970.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	BSV is inter alia engaged in the business of research, development, manufacturing, marketing and sales of biopharmaceutical and pharmaceutical products in India and Overseas Market.	21001,21002,7210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name, Address & CIN of the Company	% of Shares held	Applicable Section
1.	**Holding Company**		
	NIL	N.A.	N.A.
2.	**Subsidiary Companies- Indian**		
	Eurolife Regen Private Limited 17th Floor, Hoechst House, Nariman Point, Mumbai- 400021.	100%	2(87)(ii)
3.	**Subsidiary Companies- Overseas**		
	BSV Bioscience GmbH, Max-Planck-Strabe, 1252499 Baesweiler Germany.	100%	2(87)(ii)
	BSV Biosciences Inc. 380, Woodview Avenue, Morgan Hill, CA 95037, USA	100%	2(87)(ii)
	BSV Bioscience Philipines Inc. 3805, One San Miguel, Ave, Condominium, San Miguel Ave, Corner Shaw Boulevard, Pasig City 1600, Philippines.	100%	2(87)(ii)
4.	**Associate Company**		
	NIL	N.A.	N.A.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break- up as percentage of Total Equity):-

i) Shareholding of Individuals:-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. of Shares held at the end of the year (As on March 31,2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	1,25,97,139	3,092	1,26,00,231	67.25	1,27,04,451	-	1,27,04,451	70.93	3.68
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,27,864	-	9,27,864	4.95	9,27,864	-	9,27,864	4.93	-0.2
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**1,35,25,003**	**3,092**	**1,35,28,095**	**72.20**	**1,36,32,315**	**-**	**1,36,32,315**	**72.36**	**0.16**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,35,25,003**	**3,092**	**1,35,28,095**	**72.20**	**1,36,32,315**	**-**	**1,36,32,315**	**72.36**	**0.16**
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	19,85,614	13,54,007	33,39,621	17.83	33,39,621	-	33,39,621	17.73	-0.10
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**19,85,614**	**13,54,007**	**33,39,621**	**17.83**	**33,39,621**	**-**	**33,39,621**	**17.73**	**-0.10**
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
I) Indian	4,19,193	-	4,19,193	2.24	4,19,193	-	4,19,193	2.23	-0.01
ii) Overseas	8,51,004	-	8,51,004	4.54	8,51,004	-	8,51,004	4.52	-0.02
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR. 1 lakh	309	2,37,244	2,37,553	1.27	146706	90,848	2,37,554	1.26	-0.01
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	3,59,547	-	3,59,547	1.92	3,59,547	-	3,59,547	1.91	-0.01
Others (specify)	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**16,30,053**	**2,37,244**	**18,67,297**	**9.97**	**17,76,450**	**90,848**	**18,67,298**	**9.91**	**-0.06**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**36,15,667**	**15,91,251**	**52,06,918**	**27.80**	**51,16,071**	**90,848**	**52,06,919**	**27.64**	**-0.16**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,71,40,670**	**15,94,343**	**1,87,35,013**	**100**	**1,87,48,386**	**90,848**	**1,88,39,234**	**100**	**0.55**

ii) Shareholding of Promoters:-

Sr. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Mr. Bharat V. Daftary (HUF)	4,58,538	2.45	0	4,58,538	2.43	0	-0.02
2	Dr. Gautam Daftary (HUF)	4,58,539	2.45	0	4,58,539	2.43	0	-0.02
3	Dr. Vinod Daftary (HUF)	773	0.00	0	0	0.00	0	0
4	Dr. Gautam Daftary	29,65,862	15.83	0	30,18,745	16.02	0	0.19
5	Mr. Akshay G. Daftary	773	0.00	0	773	0.00	0	0
6	Mr. Siddharth B. Daftary	773	0.00	0	773	0.00	0	0
7	Smt. Ansuya V. Daftary jointly with Dr. Vinod Daftary	773	0.00	0	0	0.00	0	0
8	Mr. Bharat V. Daftary	29,65,862	15.83	0	30,18,745	16.02	0	0.19
9	Mr. Bharat V. Daftary Jointly with Ms. Bhavna Daftary	18,30,322	9.77	0	18,30,322	9.72	0	0.05
10	Dr. Gautam V. Daftary Jointly with Ms. Aarti Daftary	18,30,322	9.77	0	18,30,322	9.72	0	0.05
11	Ms. Aarti Daftary Jointly with Dr. Gautam Daftary	10,43,847	5.57	0	10,43,847	5.54	0	-0.03
12	Aksipro Diagnostic Pvt. Ltd.	9,27,864	4.95	0	9,27,864	4.93	0	0.02
13	Ms. Bhavna Daftary Jointly with Mr. Bharat Daftary	10,43,847	5.57	0	10,43,847	5.54	0	-0.03
	Total	**1,35,28,095**	**72.21**	**0**	**1,36,32,315**	**72.36**	**0**	**0.15**

iii) Change in Promoters' Shareholding:-

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
1	Mr. Bharat V. Daftary	29,65,862	15.83	30,18,745	16.02
2	Dr. Gautam Daftary	29,65,862	15.83	30,18,745	16.02
3	Smt. Ansuya V. Daftary jointly with Dr. Vinod Daftary	773	0.00	0	0.00
4	Dr. Vinod Daftary (HUF)	773	0.00	0	0.00

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs &ADRs):-

Sr. No.	Particulars For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
	Orbimed Asia Mauritius Limited				
1	At the beginning of the year	20,75,017	11.08	20,75,017	11.01
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-	-	-
	Conversion of Pref to Equity	-	-	-	-
	At the end of the year	-	-	20,75,017	11.01

Sr. No.	Particulars For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
2	**Orbimed Asia II Mauritius FVCI Investments Limited**				
	At the beginning of the year	12,64,604	6.75	12,64,604	6.71
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-	-	-
	At the end of the year	-	-	12,64,604	6.71
3	**Kotak India Private Equity Fund III**				
	At the beginning of the year	8,51,004	4.54	8,51,004	4.52
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-	-	-
	At the end of the year	-	-	8,51,004	4.52
4	**Kotak Mahindra Life Insurance Company Limited**				
	At the beginning of the year	1,63,210	0.87	1,63,210	0.87
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-		
	At the end of the year	-	-	1,63,210	0.87
5	**Agcetech Pharmaceuticals LLP**				
	At the beginning of the year	1,60,378	0.86	1,60,378	0.85
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-		
	At the end of the year	-	-	1,60,378	0.85
6	**Ms. Sarla H. Kothari**				
	At the beginning of the year	1,39,953	0.75	1,39,953	0.74
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-		

Sr. No.	Particulars For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
	At the beginning of the year	12,64,604	6.75	12,64,604	6.71
7	**Mr. Shirish Daftary**				
	At the beginning of the year	1,09,797	0.59	1,09,797	0.58
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-	-	-
	At the end of the year	-	-	1,09,797	0.58
8	**Ms. Sindhu Daftary**				
	At the beginning of the year	1,09,797	0.59	1,09,797	0.58
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-	-	-
	At the end of the year	-	-	1,09,797	0.58
9	**Kotak India Growth Fund III**				
	At the beginning of the year	95,605	0.51	95,605	0.51
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-		
	At the end of the year	-	-	95,605	0.51
10	**Ms. Kavita Khanna**				
	At the beginning of the year	90,848	0.48	90,848	0.48
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	-	-		
	At the end of the year	-	-	90,848	0.48

v) Shareholding of Directors and Key Managerial Personnel:

Details of changes in the shareholding of Directors of the Company who held/hold Equity Shares of the Company are as mentioned herein. - None of the other Directors / Key Managerial Personnel of the Company held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2018 or at the end of the year i.e. March 31, 2019 or dealt in the Equity Shares of the Company during financial year ended March 31, 2019.

Shareholding at the beginning of the year i.e. April 1, 2018		Changes during the year			Cumulative Shareholding during the year	
No. of Shares	% of Equity Capital	Date	No. of Shares	Reason	No. of Shares	% of Equity Capital
Mr. Bharat Daftary - Chairman & Managing Director						
29,65,862	15.83	November 22, 2018 March 29, 2019	773 52,110	Gift Merger	30,18,745	16.02
Dr. Gautam Daftary - Vice Chairman & Managing Director						
29,65,862	15.83	November 10, 2018 March 29, 2019	773 52,110	Gift Merger	30,18,745	16.02
Mr. Siddharth B. Daftary (Being Mr. Siddharth B. Daftary as Whole-time Director)						
773	0.00	NA	NIL	NA	773	0.00
Mr. Bharat V. Daftary Jointly with Ms. Bhavna Daftary (Being Mr. Bharat Daftary as Chairman & Managing Director)						
18,30,322	9.77	NA	NIL	NA	18,30,322	9.72
Dr. Gautam Daftary Jointly with Ms. Aarti Daftary (Being Dr. Gautam Daftary as Vice Chairman & Managing Director)						
18,30,322	9.77	NA	NIL	NA	18,30,322	9.72
Mr. Anil Damle (Being Chief Financial Officer)						
NIL	NA	NA	NIL	NA	NIL	NA
Mr. Charudatta Samant (Being Company Secretary)						
NIL	NA	NA	NIL	NA	NIL	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(INR. In Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year				
(i) Principal Amount	12,120.36	361.10	-	12,481.46
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	163.13	12.27	-	175.40
Total (i+ii+iii)	**12,283.49**	**373.37**	-	**12,656.86**
Change in Indebtedness during the Financial Year				
Addition	-	220.14	-	220.14
Reduction	-9,229.59	-4.09	-	-9,233.68
Exchange diff	113.79	-	-	113.79
Net Change	**-9,115.80**	**216.05**	-	**-8,899.75**
Indebtedness at the end of the Financial Year				
(i) Principal Amount	3,013.18	581.24	-	3,594.42
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	154.51	8.18	-	162.69
Total (i+ii+iii)	**3,167.69**	**589.42**	-	**3,757.11**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manger:-

(INR. In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Bharat Daftary- Managing Director	Dr. Gautam Daftary Managing Director	Mr. Siddharth Daftary Whole time Director	Mr. Girish Bakre- Executive Director*	Total Amount
1.	Gross Salary	167.99	149.99	19.49	56.51	393.98
	Salary	0	0	0	0	0
	Perquisites	0	0	0	0	0
	Profits in lieu of salary	0	0	0	0	0
2.	Stock Options	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission	0	0	0	0	0
	As % of profit	0	0	0	0	0
	Others, specify	0	0	0	0	0
5.	Others (Contribution to provident fund)	0	18.00	2.34	0	20.34
Total (A)		**167.99**	**167.99**	**21.83**	**56.51**	**414.32**
Ceiling as per the Act		**10% of the profits as per Section 198 of the Companies Act, 2013.**				

B. Remuneration to other Directors:

(INR. In Lakhs)

Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Mr. Manu Daftary	0.83	-	-	**0.83**
Mr. Ajeet Singh Karan	2.38	-	-	**2.38**
Mr. Suketu Shah	1.33	-	-	**1.33**
Ms. Nafeesa Moloobhoy	0.86	-	-	**0.86**
Mr. Shahzaad Dalal	1.11	-	-	**1.11**
Mr. Suresh Goklaney	1.61	-	-	**1.61**
Total (A)	**8.12**	-	-	**8.12**
Nominee Directors				
Mr. Nitin Deshmukh#	0.72	-	-	**0.72**
Mr. Sunny Sharma	2.05	-	-	**2.05**
Total (B)	**2.77**	-	-	**2.77**
Grand Total (A+B)	**10.89**	-	-	**10.89**
Overall Ceiling as per the Act	INR. 1,00,000 per Meeting of the Board or Committee thereof as per Section 197 read with Rule 4 of Companies (Appointment and Managerial Remunerating) Rules, 2014.			

#Nominee Directors sitting fees was paid to Kotak India Private Equity Fund III.

C. Remuneration to Key Managerial Personnel (Other than Managing Director, Whole-time Directors and/or Manager):-

(INR. In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Anil Damle (CFO)	Mr. Charudatta Samant (Company Secretary)	Total Amount
1.	Gross Salary	**72.69**	**25.20**	**97.89**
	Salary	-	-	-
	Perquisites	-	-	-
	Profits in lieu of salary	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	As % of profit	-	-	-
	Others, specify	0.17	0.17	0.34
5.	Others (Contribution to provident fund)	4.08	1.40	5.48
Total (A)		**76.94**	**26.77**	**103.71**
Ceiling as per the Act		10% of the profits as per Section 198 of the Companies Act, 2013		

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Neither the Company nor any of its Directors or Officers in default were penalized / punished for violation of any of the provisions of Companies Act, 1956 or 2013, by any of the regulatory authorities under the Act. Further no application was made by the Company or its Directors or Officers in Default for compounding of any of the provisions of the Act and therefore information in this regard is Nil.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

ANNEXURE - VI

PARTICULARS OF REMUNERATION OF EMPLOYEES

(Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

i. The information required under Section 197 of the Act read with Rule 5(1)(vii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) is given below:-

(INR. In Lakhs)

Requirements	Disclosures	
	Particulars	Net worth
Variations in the Networth of the Company, as at the closing date of the current and previous financial year.	March 31, 2019	48,864.94
	March 31, 2018	38,978.80
	Change %	**25.36%**

ii. Particulars of Employees whose remunerations exceeded INR. 102 Lakhs per annum or INR. 8.50 Lakhs per month during F. Y. 2018-19.

a. Employed throughout the year and in receipt of remuneration aggregating INR 8.50 Lakhs per month or INR. 102 Lakhs or more per annum.

Name of Employee	Age	Designation	Total Remuneration (INR. In Lakhs)	Qualification	Experience in years	Date of Joining	Last Employment
Mr. Bharat Daftary	62 years	Chairman & Managing Director	167.99	B.Sc	34 Years	01.06.1984	Nil
Dr. Gautam Daftary	58 years	Vice- Chairman& Managing Director	167.99	M.B.B.S.	35 Years	01.04.1983	Nil
Mr. Harjeet Singh	54 years	President - Export	151.42	MBA	33 Years	28.03.2016	Torrent Pharmaceutica ls Limited
Mr. Roopesh Bhargava	55 Years	Chief Operating Officer	136.24	MBA	30 Years	01.11.2017	Besins Healthcare India Pvt Ltd

Notes:

a. All appointments are contractual and terminable by notice on either side;

b. None of the employees, except Mr. Bharat Daftary & Dr. Gautam Daftary are related to any of the Directors;

c. Remuneration includes Salary, Allowances, and Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act,1961.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman & Managing Director

Place: Mumbai
Date: July 30, 2019

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Bharat Serums & Vaccines Limited,
17th Floor, Hoechst House,
Nariman Point, Mumbai 400021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Serums & Vaccines Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 (hereinafter called 'audit period'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 (hereinafter called 'the Act') and the rules made thereunder;
ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iii. The Foreign Exchange Management Act 1999

The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

i SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Form No. MR - 3

SECRETARIAL AUDIT REPORT (CONTINUED)

We report that, being an Unlisted Company during audit period, all of the above Regulations / Guidelines from a. to i. as listed above were not applicable to the Company.

As per information provided to us following regulation specifically applies to the type of activities undertaken by the Company.

- Drugs (Price control) Order 2013.
- The Prevention of Cruelty to Animals Act, 1960

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as applicable to the Company.

During the period under review, generally there was delayed filing of e-forms with payment of additional fees. During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines, standards etc. *except as to the Provisions of Corporate Social Responsibility pursuant to Section 135 of the Act in respect of spending the requisite amount of CSR.*

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings wherever required consents of the Directors were obtained for holding the Board Meetings with shorter notice. Agenda and detailed notes on agenda are sent generally seven days in advance or shorter period as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period, consent of the members was accorded by way of Special Resolution as under: -

i. Provision of Section 230 and 232 of Companies Act 2013 in respect of approval of scheme of amalgamation of Kasiak Research Private Limited with the Company.

ii. Provision of Section 13 of Companies Act 2013 in respect of increase in authorized share capital of Company from Rs.12,05,00,000/- to Rs. 21,95,00,000/-.

For JHR & Associates
Company Secretaries

Sd/-
Sohan J. Ranade
(Partner)
ACS: 33416, CP: 12520

Place: Thane
Date: July 25, 2019

SECRETARIAL AUDIT REPORT *(Continued)*

The Members,
Bharat Serums & Vaccines Limited,
17th Floor, Hoechst House,
Nariman Point, Mumbai 400021.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

1) It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility.

2) Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.

3) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

4) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JHR & Associates
Company Secretaries

Sd/-
Sohan J. Ranade
(Partner)
ACS: 33416, CP: 12520

Place: Thane
Date: July 25, 2019

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

The Company's vision is to be innovative, caring and trustworthy partner in bringing life to life and the philosophy on Corporate Governance is to conduct its business in an efficient, responsible, honest, transparent and ethical manner. The Company's vision becomes the guiding principles in all face of operations which helps the Company to achieve/exceed its objectives. Corporate Governance goes beyond compliance and it involves Company wide commitment. This commitment starts with Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all our stakeholders.

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity, in the functioning of the Company, is essential for the long term enhancement of the shareholders/stakeholders value and interest. It encompasses achieving the balance between shareholders' interest and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations. Corporate Governance is about commitment to values and about the ethical business conduct.

Our endeavour is to adopt the best governance and disclosure practice by giving the timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company by following the statutory provisions including the Secretarial Standards. We believe that the good Corporate Governance practices, is a key driver of sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

BOARD OF DIRECTORS:

a) **Composition and Category of Directors:**

The total strength of your Board presently is Eleven Directors, which consists of two Managing Directors and One Whole-time Director who is an Executive Director, Eight Non-Executive Directors out of which two are Nominee Directors and Six are Independent Directors. Mr. Bharat V. Daftary is a Chairman and Managing Director, Dr. Gautam V. Daftary is a Vice Chairman and Managing Director, Mr. Siddharth Daftary are the Executive Directors of the Company. Mr. Bharat V. Daftary, Dr. Gautam V. Daftary, Mr. Siddharth Daftary conduct day-to-day business of the Company, subject to the supervision and control of the Board of Directors. The Independent Directors on the Board are professional and technocrats, who are senior, competent and highly respectable persons from their respective fields of medical research, finance and law. All the Directors have an in-depth knowledge of the industry.

The brief profile of the Directors of the Company is as under:-

i. ***Mr. Bharat V. Daftary,*** Chairman and Managing Director of the Company, has been involved with the business affairs of the Company since over three decades. He plays an important role in the marketing function and in development of global relationships. He spearheads the strategic planning of the Company. He is related to Dr. Gautam Daftary, Vice Chairman and Managing Director of the Company and Mr. Siddharth B. Daftary, Whole-time Director of the Company.

ii. ***Dr. Gautam Daftary,*** a medical Doctor, is the Vice Chairman and Managing Directorof the Company and is primarily responsible for R&D activities and technical matters. His knowledge and expertise in the fields of microbiology, oncology, allergies and psychiatrics has led him to being instrumental in providing the necessary thrust in the R&D activities of the Company since over three decades. He is related to Mr. Bharat Daftary, Chairman and Managing Director of the Company and Mr. Siddharth B. Daftary, Whole-time Director of the Company.

iii. ***Mr. Siddharth B. Daftary*** has graduated with a Bachelor of Science degree in Life Sciences from the University of Mumbai and holds Master of Science degree in Molecular & Genetic Medicine from the University of Sheffield, England.

Mr. Siddharth Daftary is Whole-time Director in a Company and is presently looking after the business development activities in the Company. He is also actively involved in the business development, sales and operational activities of Advy Chemicals Private Limited, a diagnostic sister concern of the Company. He is related to Mr. Bharat Daftary, Chairman and Managing Director of the Company and Dr. Gautam Daftary, Vice Chairman and Managing Director of the Company.

iv. ***Mr. Nitin Deshmukh*** is CEO – Private Equity at Kotak Investment Advisors Ltd.,the Alternate Assets business of Kotak group which has USD $ 1.4 bn. funds currently under his management. With over 24 years of experience in Private Equity investing, he has lead and managed investments in over 80 companies, a significant number of which have grown at a scorching pace attaining leadership position in their respective sectors. Prior to taking up the current assignment at Kotak in June 2004 he was Director, Private Equity at Dresdner Kleinwort Capital. Prior to joining Dresdner, Mr. Deshmukh had a long stint of over 12.5 years with ICICI Venture, since its inception in 1989 to being its Chief of Private Equity Investments heading its funding and investment management activities of various Funds, till the early part of this decade.

Mr. Deshmukh has strong association with the Life Sciences Industry in the country, having served as the Director General of Association of Biotechnology Led Enterprises (ABLE), the industry association of biotech Companies in India and having worked with CIPLA, India's leading pharmaceutical Company in various technical and management positions. Mr. Deshmukh holds an MBA degree from University of Mumbai. Earlier, he earned his master's degree in Pharmaceutical Technology from UDCT, Mumbai where his research work led to a patent filing on machine design for manufacture of NDDS. He also completed the Post-Graduation Programme in Pharmaceutical Technology at the University of Ghent, Belgium.

v. ***Dr. Sunny Sharma*** is a Senior Managing Director on the Asia team of OrbiMed Advisors. Dr. Sharma has more than a dozen years of life sciences experience spanning venture capital, investment banking, and clinical practice. Dr. Sharma was previously with Investor Growth Capital (IGC), the wholly owned global venture capital arm of Investor AB, and before that with Easton Capital, a venture capital fund in New York. While at IGC and Easton Capital, Dr. Sharma led or played a senior role on over a dozen life sciences investments. Earlier in his career, Dr. Sharma was with Lehman Brother she althcare investment banking group in London, and before that he practiced medicine in northern India. Dr. Sharma holds an M.B.A. from Indian Institute of Management, Bangalore and a medical degree (M.B.B.S.) from Christian Medical College, Ludhiana where he was awarded the Vipin Khanna Memorial Gold Medal for graduating as the best intern.

vi. ***Mr. Ajeet Singh Karan*** has more than 24 years of experience in building businesses across several industries in India. Prior to joining Barings Private Equity Partners India, he was the CEO of KAPL (now SC Johnson India) – the world's largest liquid mosquito repellent Company with the flagship brand "All Out". He was instrumental in growing the revenues and profits of the company more than six fold during his tenure. He played a key role in the operation of KAPL's Joint Venture with S.C.Johnson and thereafter successful integration of the Baygon business into KAPL.

Before joining KAPL, Mr. Ajeet was part of scripting the success of several multinationals including Hindustan Lever (part of Unilever group), Pepsico India and Coca-Cola, India. He has played a variety of roles from being involved in running profit centres for these companies to setting up manufacturing operations for these companies in India resulting in substantial increase in market share for these businesses in the region.

Mr. Ajeet is an MBA from the Indian Institute of Management, Ahmedabad with specialization in marketing.

Vii. ***Mr. Suketu V Shah*** is presently a Joint Managing Director of Mukund Ltd. Mr. Shah did his graduation from Mumbai and his MBA from Harvard Business School in 1980. He has worked with Bajaj Auto, Pune and with International Finance

Corporation, Washington D.C. and American Express Bank in New York before returning to India to join Mukund Ltd. Mr Shah is a past Chairman of the Young Presidents Organization, Bombay Chapter and was on the executive committee of the Harvard Business School Association of India. He has been the Chairman of Western Regional Council of Confederation of Indian Industry (CII) the apex industry association in India and is now on the National Council of CII. He is Chairman of the Alloy Steel Producers Association of India. Mr. Shah is also on the Board of UTV Software Communications Ltd., in which the Walt Disney Company has a significant stake.

Viii. ***Mr. Manu P. Daftary*** is currently President and Chief Investment Officer of DG Capital Management, an investment management company based in Boston, USA. He began his investment management career at the University of Southern California in 1985 where he was Assistant Treasurer – Investments. In 1988, he joined Geewax, Terker& Company as a Portfolio Manager and was co-manager of the firm's institutional accounts. In addition, he also was Manager of equity short selling for the firm's hedge fund assets and also designed the option overlay program that was utilized in the firm's institutional accounts. In 1993, he joined Hellman, Jordan Investment Management Company as a Senior Vice-President/Portfolio Manager with lead responsibility for $500 million in institutional assets and was also involved in the management of $150 million in hedge fund assets. Mr. Daftary has a BA in economics from the University of Mumbai, India, a BS and MBA from California State University at Long Beach and is a Chartered Financial Analyst.

ix. ***Ms. Nafeesa Moloobhoy*** is the Managing Director of a 111-year-old family run company - A.S. Moloobhoy Pvt Ltd. And A.S. Moloobhoy & Sons Pvt. Ltd. She is involved in the sale, supply and service of life saving, firefighting and electronics equipment and also forayed into the area of training in the marine field. Ms. Moloobhoy also represents her company on many Marine forums both in India and abroad. She is a member of CIRM (a prestigious International body that makes recommendations to IMO on new policy matters.) Currently she also holds Directorship in total eight Companies.

x. ***Mr. Shahzaad Dalal*** a Management Graduate from the USA was the former Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC which is a fully owned subsidiary of IL&FS Investment Managers Ltd (IIML), one of India's leading Private Equity Fund Managers with US$ 3.2 billion under management. The private equity funds managed by IIML has a wide canvas across sectors in infrastructure such as telecom, transport, power and oil and gas as well as emerging areas in real estate, technology, retail, life sciences and consumer services. He leads a highly competent team of 40 professionals involved in managing over 95 investments. Mr. Dalal is also on the Boards of various Companies to guide their growth plans and other strategic developments. Overall, Mr. Dalal assumes greater responsibility towards the crafting of exits through a range of diverse methods, including IPO's and strategic sales. Mr. Dalal was also responsible for developing the Infrastructure Business of IL&FS Group in key international markets in sectors such as Roads, Power, Renewable Energy, Ports, Logistics, Education and Waste Management. Prior to joining IIML, Mr. Dalal served as the Chief Executive Officer of the Asset Management Business of IL&FS. Within the IL&FS Group he has undertaken various responsibilities including overall planning and raising of resources for IL&FS, its group companies and other IL&FS sponsored infrastructure projects. Mr Dalal has also headed the initiative for large value structured finance/transactions in leasing, project finance and privatizations.

Xi ***Mr. Suresh Lal Goklaney's*** career spans five decades, starting in the late 60's with brief stints at leading advertising agencies, before moving to Proctor & Gamble, Johnson & Johnson, followed by a 3-decades tenure with Eureka Forbes Limited (EFL). Mr. Goklaney grew EFL from a single-product, single-channel, INR. 200 million Company in 1987, to a multi-product, multi-channel, multi-national, INR. 30,400 million Company in 2017, encompassing water purification, vacuum cleaning, air purification and home security solutions, with a customer base of 20 million, a reach of over 1,500 cities and towns in India and a global footprint across 53 countries. A Business Superbrand, the Company is a case study at Harvard Business School and has been recognized as one of Asia's & India's best Employers and Knowledge Management organizations.

Mr. Goklaney has significant strengths in Brand Building (Band-Aid India at J&J); and the Eureka Forbes, Aquaguard & EurocleanSuperbrands while at EFL; and Channel Building, having grown the Direct Sales channel, and introduced the Service Franchisee, Franchise Direct Operations, and Franchise Business Partner channels during his tenure at EFL. Mr. Goklaney is actively involved in Community and Social Outreach, particularly in the space of providing safe, affordable drinking water to the urban slums and rural India. While at EFL he also set up 'EuroAble' - India's first call centre totally staffed by the differently-abled. Mr. Goklaney is the recipient of several prestigious recognitions including the 'Rotary Responsible Business Award 2016' conferred at the International Rotary Day 2016 at the United Nations, New York, and the UNESCO-Water Digest 'Water Icon 2007 Award'. Mr. Goklaney is the President & Board Member of the Jai Hind College, Trustee at the Breach Candy Hospital and an active member of the Rotary Club of Bombay.

b) Composition of the Board as on March 31, 2019:-

Category of Directors	No. of Directors	% to total No. of Directors
Executive Directors	3	27.27
Independent Directors	6	54.55
Nominee Directors (Non-Executive)	2	18.18
Total	**11**	**100.00**

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2018-19 and also their other directorships in other Public Companies (excluding Foreign Companies and Section 8 Companies of Companies Act, 2013) and Membership/Chairmanship of Audit Committee and Stakeholder Relationship Committee of other Public Companies as on March 31, 2019 are as under.

Name of Director	Attendance at		No. of Directorship of other Companies (Other than Bharat Serums & Vaccines Limited	
	Board Meetings (Total Six Meetings)	45th AGM held on September 29, 2018	Public	Private
Mr. Bharat Daftary Chairman and Managing Director	6	**Yes**	-	5
Dr. Gautam Daftary Vice-Chairman and Managing Director	6	Yes	-	6
Mr. Girish Bakre*	0	No	-	-
Mr. Siddharth Daftary Whole-time Director	5	Yes	-	4
Mr. Nitin Deshmukh Director (Nominee)	2	No	1	1

Name of Director	Attendance at		No. of Directorship of other Companies (Other than Bharat Serums & Vaccines Limited	
	Board Meetings (Total Six Meetings)	45th AGM held on September 29, 2018	Public	Private
Dr. Sunny Sharma Director (Nominee)	6	Yes	1	9
Mr. Ajeet Singh Karan Independent Director	6	No	1	3
Mr. Suketu Shah Independent Director	4	No	3	6
Mr. Manu Daftary Independent Director	2	No	-	-
Ms. Nafeesa Moloobhoy Independent Director	3	No	-	8
Mr. Shahzaad Dalal Independent Director	4	No	2	6
Mr. Suresh Goklaney Independent Director	6	No	-	-

**Expired on August 15, 2018*

c) Board Meetings & Procedures: -

During the financial year 2018-2019,six(6) meetings of the Board were held. The intervening period between the Board Meetings were well within the maximum time gap of 120 days. The details of the meetings held during the year are as under:

NAME OF DIRECTOR	DATE OF BOARD MEETINGS – FY 2018-2019					
	Apr 27, 2018	July 31, 2018	Sep 27, 2018	Oct 22, 2018	Feb 8, 2019	Mar 29, 2019
Mr. Bharat Daftary	Present	Present	Present	Present	Present	Present
Dr. Gautam Daftary	Present	Present	Present	Present	Present	Present
Mr. Siddharth Daftary	Absent	Absent	Present	Present	Present	Present
Mr. Girish Bakre*	Absent	Absent	NA	NA	NA	NA
Mr. Nitin Deshmukh	Absent	Absent	Absent	Present	Present	Absent
Dr. Sunny Sharma	Present	Present	Present	Present	Present	Present
Mr. Suketu Shah	Absent	Present	Present	Present	Absent	Present
Mr. Ajeet Singh Karan	Present	Present	Present	Present	Present	Present
Mr. Manu Daftary	Absent	Absent	Absent	Present	Present	Absent
Ms.NafeesaMoloobhoy	Absent	Absent	Present	Present	Present	Absent
Mr. Shahzaad Dalal	Present	Absent	Present	Absent	Present	Present
Mr. Suresh Goklaney	Present	Present	Present	Present	Present	Present

**Expired on August 15, 2018*

The Board Meetings of the Company are governed by a structured agenda. The meetings are generally held at the Registered Office of the Company at Mumbai. The Company Secretary in consultation with the Chairman, Executive Directors & Chief Financial Officer finalizes the agenda of the Board Meetings. All major agenda items backed up by comprehensive background information are sent to the Board Members well in advance of the date of the Board Meetings to enable the Board to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. Senior Management personnel are invited from time to time to the Board Meetings to make requisite presentations on relevant issues or provide necessary insights into the operations/working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

d) Remuneration:

The remuneration paid to the Chairman and Managing Director, the Vice Chairman and Managing Director during the year, was approved by the Nomination and Remuneration Committee and shareholders of the Company. The other non-executive Directors are paid sitting fees of INR.25,000/- per board meeting and sitting fees of INR. 11,000 for all other committee meetings.

The following table gives the detail of remuneration and sitting fees paid to each Director during the Financial year 2018 - 2019: -

Directors	Salary (INR in Lakhs)	Provident Fund Contributions (INR in Lakhs)	Sitting Fees (INR. In Lakhs)
Mr. Bharat Daftary	167.99	0.00	N.A.
Dr. Gautam Daftary	149.99	18.00	N.A.
Mr. Siddharth Daftary	19.49	2.34	N.A.
Mr. Girish Bakre*	56.51	0.00	N.A.
Mr. Nitin Deshmukh	Nil	Nil	0.72
Dr. Sunny Sharma	Nil	Nil	2.05
Mr. Suketu Shah	Nil	Nil	1.33
Mr. Ajeet Singh Karan	Nil	Nil	2.33
Mr. Manu Daftary	Nil	Nil	0.83
Ms.Nafeesa Moloobhoy	Nil	Nil	0.86
Mr. Shahzaad Dalal	Nil	Nil	1.11
Mr. Suresh Goklaney	Nil	Nil	1.61

**Expired on August 15, 2018.*

In addition to above, the Directors are getting perquisites as per the Company's policy which inter-alia includes house rent allowance, leave travel concession, medical reimbursement, club fees, car, telephone facilities, leave encashment etc.

The Directors are also entitled for Company's contribution to provident fund, superannuation, gratuity at the end of the tenure as per Company's policy.

Presently the Company doesn't have scheme for grant of stock option either for Directors or Employees.

BOARD COMMITTEES:

The Board of the Company has constituted the various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its Charter which outlines their scope, roles and responsibilities and their powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

The various Board level Committees are as under:-

I. Audit Committee;
II. Nomination and Remuneration Committee;
III. Corporate Social Responsibility Committee.

I) AUDIT COMMITTEE:

a) Constitution and Responsibility:

The terms of reference of the Audit Committee is as per section 177 of Companies Act, 2013 and includes such functions as may be assigned to it by Board from time to time. The Audit Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Companies Act. The primary responsibilities of the Audit Committee are to:

- Supervise the financial reporting process.
- Review financial results before placing them before the Board.
- Review the adequacy of internal control systems in the Company, including the scope and performance of the internal audit function.
- Hold discussions with Statutory Auditors on nature and scope of audit.
- Ensure compliance with Accounting Standards
- Recommend the appointment and removal of Internal and External Auditors and determine their fees.
- Review related party transactions.
- Ensure that adequate safeguards have been taken for legal compliance by the Company.
- Review the Company's financial and risk management policies.

b) Composition:

Pursuant to the provisions of Section 177 of the Companies Act, 2013, your Company has constituted the Audit Committee of the Board of Directors.

The following Directors are the Members of the Audit Committee: -

1. Mr. Nitin Deshmukh –Non-Executive Director (Nominee);
2. Dr. Sunny Sharma – Non-Executive Director (Nominee);
3. Mr. Ajeet Singh Karan – Independent Director;
4. Mr. Suketu Shah - Independent Director;
5. Mr. Manu Daftary - Independent Director.

c) **Meetings:**

The Members of Audit Committee met five times during the year and the following table gives the details of attendance of Members in their meetings held during the financial year 2018-2019:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present	No. of Independent Directors present
1	April 27, 2018	5	2	1
2	July 31, 2018	5	3	2
3	September 27, 2018	5	3	2
4	October 22, 2018	5	5	3
5	February 8, 2019	5	4	2

Sr. No.	Members	Audit Committee Meetings during 2018-19	
		Held	Attended
1	Mr. Nitin Deshmukh	5	2
2	Dr. Sunny Sharma	5	5
3	Mr. Ajeet Singh Karan	5	5
4	Mr. Suketu Shah	5	3
5	Mr. Manu Daftary	5	2

All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Audit Committee Meetings are generally attended by the Managing Directors, Chief Financial Officer. The representative of the Statutory Auditors of the Company remain presents during the finalisation of the Annual Accounts. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee. The Company Secretary acts as the secretary to the Audit Committee.

II) **NOMINATION AND REMUNERATION COMMITTEE:**

a) **Constitution and Responsibility:**

Pursuant to the provision of section 178(1) of the Companies Act, 2013 the Company has constituted the Nomination and Remuneration Committee of the Directors of the Company. The said Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Section 178 of the Companies Act, 2013. The primary responsibilities of the Nomination and Remuneration Committee are:

- To identify and determine the persons to be appointed as Directors and Members of Senior Management of the Company.
- To evaluate of performance of Directors of the Company.
- To formulate the criteria for determining qualification, positive attributes and independence of Director.
- To recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

b) Composition:

The following Directors are the Members of the Committee: -

1. Dr. Gautam Daftary –Vice - Chairman & Managing Director;
2. Mr. Nitin Deshmukh – Non-Executive Director (Nominee);
3. Mr. Ajeet Singh Karan – Independent Director;
4. Mr. Suketu Shah - Independent Director.

c) Meetings:

During the financial year, no meeting of Nomination and Remuneration Committee was convened and held:

III) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Constitution and Responsibility:

Pursuant to the provision of section 135 of the Companies Act, 2013 and the rules made there under, the Company has set up the Corporate Social Responsibility Committee of the Directors of the Company.The primary responsibilities of the Committee are:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company those are qualified as per the provisions of Companies Act, 2013 & rules thereunder;
- recommend the amount of expenditure to be incurred on the activities along with the calculation of the same;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes /activities proposed to be undertaken by the Company;
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

b) Composition:

The following Directors are the Members of the Corporate Social Responsibility Committee: -
1. Mr. Ajeet Singh Karan – Independent Director;
2. Mr. Bharat Daftary – Chairman & Managing Director;
3. Dr. Gautam Daftary – Vice-Chairman & Managing Director.

c) Meetings:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present
1	April 27, 2018	3	3
2	October 22, 2018	3	3

GENERAL MEETINGS:

The 46th Annual General Meeting of the Company for the financial year 2018-19 will be held on August30, 2019 at 17th Floor, Hoechst House, Nariman point, Mumbai – 4000021 at 03:00 p.m.
The following table gives the details of the last three Annual General Meetings of the Company held:

Financial Year	Day, Date and Time of AGM	Special Resolutions	Location
2017-18	Friday September 29, 2018 at 3:00 p.m.	NIL.	17th Floor, Hoechst House, Nariman Point, Mumbai 400 021.
2016-17	Friday, September 29, 2017 at 3:00 p.m.	a. Appointment of Mr. Bharat V. Daftary (DIN: 00011518) as Chairman & Managing Director of the Company; b. Appointment of Dr. Gautam V. Daftary (DIN: 00009326) as Vice Chairman & Managing Director of the Company; c. Appointment of Mr. Siddharth Daftary (DIN: 02897197) as Whole Time Director of the Company; d. Amendment to Memorandum Of Association of the Company; e. Amendment to The Articles Of Association of the Company.	17th Floor, Hoechst House, Nariman Point, Mumbai 400 021.
2015-16	Tuesday, August 2, 2016 at 3:00 p.m.	a. Issue of Compulsory Convertible Cumulative Preference Shares – Series IV of the Company; b. Issue of Equity Shares of the Company.	17th Floor, Hoechst House, Nariman Point, Mumbai 400 021.
2014-15	Tuesday, September 30, 2015 at 11:00 a.m.	a. Reclassification of Authorised Share Capital; b. Substitution of Article 3 in AOA.	17th Floor, Hoechst House, Nariman Point, Mumbai 400 021.

All the above resolutions were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, relatives, directors, management, wholly owned subsidiary etc. which may have a potential conflict with the interest of the Company at large.

SHAREHOLDERS INFORMATION:

Day, Date and Time of AGM :	Friday, August30, 2019 at 3:00 p.m.
Venue:	17th floor, Hoechst House, Nariman Point, Mumbai 400 021.
Financial Year:	April 1, 2018 to March 31, 2019
Record Date:	August26, 2019
Registered office:	17th floor, Hoechst House, Nariman Point, Mumbai 400 021
Compliance officer:	Company Secretary
E-mail	Address:charudatta.samant@bharatserums.com
Website address:	www.bharatserums.com

For and on behalf of the Board

Place: Mumbai
Date: July 30, 2019

Sd/-
Bharat Daftary
Chairman & Managing Director

Independent Auditor's Report

To The Members of

Bharat Serums and Vaccines Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bharat Serums and Vaccines Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Actread with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report in the Annual Report for the year ended 31st March 2019, but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind ASand other accounting principles generally accepted in India.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Manoj H. Dama
Partner
(Membership No.107723)

UDIN: 19107723AAAACK703

Place: Mumbai
Date: 30 July 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f)under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Bharat Serums and Vaccines Limited]

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Serums and Vaccines Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Manoj H. Dama
Partner
(Membership No.107723)

UDIN: 19107723AAAACK703

Place: Mumbai
Date: 30 July 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Bharat Serums and Vaccines Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situationof fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Gross Block as at 31st March 2019	Net Block as at 31st March 2019	Remarks
Freehold land located at Badlapur admeasuring 38.87 acres.	Rs. 89.26 lakhs	Rs. 89.26lakhs	The title deeds are in the name of Bharat Daftary and Gautam Daftary, Directors, on behalf of the Company.
Freehold land located at Khoni admeasuring 4.48 acres.	Rs. 29.69 lakhs	Rs. 29.69 lakhs	The title deeds are in the name of Bharat Daftary and Gautam Daftary, Directors, on behalf of the Company.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under Section 185 of the Companies Act, 2013 during the year;the Company has complied with the provisions of Sections 186 of the saidAct in respect of grant ofloans,making investments and providingguarantees and securities covered under the said section, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any depositsin terms of the provisions of Sections 73 to 76or any other relevant provisions of the Companies Act, 2013 hence reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies

Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that,prima facie,the prescribed cost records have been made andmaintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company hasgenerally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax,Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at31st March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Taxand Central Sales Taxwhich have not been deposited as on 31st March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in lakhs)
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Trubunal	18.04.2006 to 28.02.2011	322.24 #
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2012-13	107.06
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2013-14	107.49
Central Sales Tax Act, 1956	Central Sales Tax	Maharashtra Sales Tax Tribunal	FY 2014-15	130.49

 # Net of Rs. 75.00 lakhs paid under protest.

There are no dues of Income Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2019 which have not been deposited with the appropriate authorities on account of disputes.

(d) Having regard to the nature of the Company's business / activities during the year, statutory dues in respect of Excise Duty are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not taken any loans or borrowings from financial institutions and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Companyby its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by Ind AS.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any holding or associate company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
(Membership No. 107723)

UDIN: 19107723AAAACK703

Place: Mumbai
Date : 30 July 2019

Standalone Balance Sheet (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2019	As at 31 March 2018
I	**ASSETS**			
1	**Non - current assets**			
	(a) Property, plant and equipment	5	15,972.04	12,743.36
	(b) Capital work in progress	5	739.04	3,588.73
	(c) Biological assets other than bearer plants	6	79.41	77.35
	(d) Intangible assets	7	6,346.97	7,463.31
	(e) Intangible assets under development	7	779.88	674.48
	(f) Financial assets			
	(i) Investments	8	1,443.96	1,443.96
	(ii) Loans	9A	2,962.05	1,887.13
	(iii) Other financial assets	10A	118.98	156.91
	(g) Deferred tax assets	11C	516.41	1,855.44
	(h) Income tax assets (net)	11D	261.53	585.60
	(i) Other non - current assets	12A	568.92	713.65
	Total non-current assets		**29,789.19**	**31,189.92**
2	**Current assets**			
	(a) Inventories	13	14,272.02	12,929.74
	(b) Financial assets			
	(i) Trade receivables	14	14,876.02	15,099.48
	(ii) Cash and cash equivalents	15	1,511.53	415.05
	(iii) Bank balances other than (ii) above	16	381.66	209.84
	(iv) Loans	9B	1,373.35	1,324.45
	(v) Other financial assets	10B	388.99	316.09
	(c) Other current assets	12B	4,153.95	4,253.25
	Total current assets		**36,957.52**	**34,547.90**
	Total Assets		**66,746.71**	**65,737.82**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	17.1	941.97	936.76
	(b) Convertible cumulative preference shares	17.2	100.13	100.13
	(c) Other equity	17A	47,822.84	37,941.91
	Total equity		**48,864.94**	**38,978.80**
2	**Liabilities**			
2a	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18A	1,623.13	2,858.25
	(b) Other non - current liabilities	20A	528.61	456.73
	(c) Provisions	21A	2,012.02	1,314.28
	Total non-current liabilities		**4,163.76**	**4,629.26**

Standalone Balance Sheet (Continued) (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2019	As at 31 March 2018
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18B	544.95	7,796.43
	(ii) Trade payables	22		
	- Total outstanding dues of micro enterprises and small enterprises		43.38	13.38
	- Total outstanding dues other than micro enterprises and small enterprises		5,921.95	5,552.56
	(iii) Other financial liabilities	19A	4,619.03	5,876.27
	(b) Other current liabilities	20B	693.35	492.68
	(c) Provisions	21B	1,632.66	1,813.20
	(d) Current tax liabilities (Net)	11D	262.69	585.24
	Total current liabilities		**13,718.01**	**22,129.76**
	Total Equity and liabilities		**66,746.71**	**65,737.82**

Significant accounting policies	3
Notes to IND AS financial statements	1-46

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Standalone Statement of Profit and Loss (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2019	As at 31 March 2018
1	**Income**			
	(a) Revenue from Operations	23	78,687.95	70,827.27
	(b) Other Income	24	939.61	1,508.75
	Total Income		**79,627.56**	**72,336.02**
2	**Expenses**			
	(a) Cost of material consumed	25	18,948.91	17,908.45
	(b) Purchases of stock-in-trade	26	9,709.73	7,467.74
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	27	(2,005.84)	447.57
	(d) Employee benefits expense	28	13,337.53	12,353.28
	(e) Other expenses	29	22,339.65	20,588.15
	Total expenses		**62,329.98**	**58,765.19**
3	**Earnings before interest, tax, depreciation, amortisation (EBITDA) (1-2)**		**17,297.58**	**13,570.83**
	(a) Finance costs	30	849.29	1,252.94
	(b) Depreciation and amortisation expense	31	2,324.35	2,740.51
4	**Profit before tax**		**14,123.94**	**9,577.38**
5	**Tax expense**	11		
	Current tax		3,142.60	2,005.01
	Deferred tax (net)		1,310.27	91.20
	Deferred tax pertaining to earlier years		-	99.04
	Total tax expenses		**4,452.87**	**2,195.25**
6	**Profit for the year**		**9,671.07**	**7,382.13**
7	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefits plans	28A	83.11	28.45
	(b) Income Tax on remeasurements of defined benefit plans	11A	(28.76)	(9.85)
	Other Comprehensive Income for the year, net of income tax		**54.35**	**18.60**
8	**Total Comprehensive Income for the year (6) + (7)**		**9,725.42**	**7,400.73**
9	**Earnings per equity share (in Rupees) : Face value of Rs. 5 each :**			
	Basic	36	**46.63**	**35.60**
	Diluted		**46.63**	**35.60**

Significant accounting policies 3
Notes to IND AS financial statements 1-46
The accompanying notes are an integral part of these financial statements.
In terms of our report attached

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date:30th July 2019

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Statement of changes in equity (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

		As at 31 March 2019		As at 31 March 2018	
		Numbers	Amount	Numbers	Amount
A	**Equity share capital**				
	Balance at the beginning of the reporting period	18,735,013	936.76	18,735,013	936.76
	Changes in equity share capital during the year	104,221	5.21	-	-
	Balance at the end of the reporting period	**18,839,234**	**941.97**	**18,735,013**	**936.76**

		As at 31 March 2019		As at 31 March 2018	
		Numbers	Amount	Numbers	Amount
B	**Preference share capital**				
	Balance at the beginning of the reporting period	2,002,507	100.13	2,002,507	100.13
	Changes in Preference share capital during the year	-	-	-	-
	Balance at the end of the reporting period	**2,002,507**	**100.13**	**2,002,507**	**100.13**

		Reserves and Surplus						Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Equity Component of compound financial instrument	Retained Earnings	
C	**Other equity**							
	Balance as at 31 March 2017	**(2,554.81)**	**48.05**	**10,572.19**	**5,245.27**	-	**17,573.68**	**30,884.38**
	Profit for the year	-	-	-	-	-	7,382.13	**7,382.13**
	Other comprehensive income, net of tax	-	-	-	-	-	18.60	**18.60**
	Total Income for the year	-	-	-	-	-	**7,400.73**	**7,400.73**
	Dividend on Equity Shares	-	-	-	-	-	(257.61)	**(257.61)**
	Dividend on Preference Shares	-	-	-	-	-	(27.54)	**(27.54)**
	Dividend Distribution tax on equity shares	-	-	-	-	-	(52.44)	**(52.44)**
	Dividend Distribution tax on Preference shares	-	-	-	-	-	(5.61)	**(5.61)**
	Transfer to General Reserve	-	-	-	403.00	-	(403.00)	-
	Balance as at 31 March 2018	**(2,554.81)**	**48.05**	**10,572.19**	**5,648.27**	-	**24,228.21**	**37,941.91**
	Profit for the year	-	-	-	-	-	9,671.07	**9,671.07**
	Other comprehensive income, net of tax	-	-	-	-	-	**54.35**	**54.35**
	Total Income for the year	-	-	-	-	-	**9,725.42**	**9,725.42**
	Dividend on Equity Shares	-	-	-	-	-	(468.38)	**(468.38)**
	Dividend on Preference Shares	-	-	-	-	-	(50.07)	**(50.07)**
	Dividend Distribution tax on equity shares	-	-	-	-	-	(96.30)	**(96.30)**
	Dividend Distribution tax on Preference shares	-	-	-	-	-	(10.27)	**(10.27)**
	Equity Component of compound financial instrument	-	-	-	-	780.53	-	**780.53**
	Transfer to General Reserve	-	-	-	403.00	-	(403.00)	-
	Balance as at 31 March 2019	**(2,554.81)**	**48.05**	**10,572.19**	**6,051.27**	**780.53**	**32,925.61**	**47,822.84**

Statement of changes in equity(Continued) (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

The Description of the nature and purpose of each reserve within equity:

Capital Reserve: Capital reserve majorly represents excess of purchase consideration paid to acquire net asset of Kasiak Research Private Limited in the scheme of merger

Equity Component of compound financial instrument: The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instruments. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective intreset method.

Capital Redemption Reserve: Capital redemption reserve represents reserve created through transfer from general reserve to capital redemption reserve in compliance with buy back of shares.

Security Premium Reserves: Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve though mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Standalone Statement of Cash Flow (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	**14,123.94**	**9,577.38**
Adjustments for:		
Depreciation and amortisation	2,324.35	2,740.51
Profit on sale of property plant and equipment	(9.55)	(36.89)
Property plant and equipment written off	7.37	46.53
Sundry balances written off	422.97	182.36
Provision for doubtful debts	240.00	250.00
Provision for doubtful advance and deposits	165.33	200.00
Provision for Diminution in value of Investment	-	100.00
Sundry balances written back	(35.78)	(21.73)
Unrealized foregin exchange gain on revaluation (net)	274.01	(170.53)
Finance Cost	849.29	1,252.94
Interest income	(249.24)	(259.97)
Operating profit before working capital changes	**18,112.69**	**13,860.60**
Working capital adjustments:		
Increase in trade payables	434.68	2,523.00
Increase in provisions	600.31	450.30
Increase/ (Decrease) in other financial liabilities	266.11	(3,031.00)
Increase/ (Decrease) in other liabilities	262.83	(734.30)
(Increase)/ Decrease in trade receivables	25.60	(3,476.67)
(Increase)/ Decrease in inventories	(1,342.30)	313.10
(Increase)/ Decrease in other financial assets	36.80	(66.30)
(Increase)/ Decrease in Security Deposit and Loans to Employees	(450.63)	194.04
Increase in other assets	(465.70)	(1,013.00)
Cash generated from operations	**17,480.39**	**9,019.77**
Income taxes paid (net of refunds)	(3,141.05)	(1,595.93)
Net cash flow from operating activities (A)	**14,339.34**	**7,423.84**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,766.51)	(3,040.96)
Proceeds from sale of property, plant and equipment	87.73	8.77
(Placement)/ Redemption of bank deposits having maturity of more than 3 months	(133.90)	35.10
Loans to Subsidiary companies	(785.27)	(195.84)
Inter-corporate deposits returned	2.00	270.00
Interest recevied	139.56	138.50
Net cash flow used in investing activities (B)	**(2,456.39)**	**(2,784.43)**
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,009.00
Repayment of long-term borrowings	(2,006.26)	(1,716.47)
Repayment of short-term borrowings (net)	(7,281.20)	(3,260.29)
Finance Cost Paid	(862.00)	(1,252.94)
Dividend paid (and related dividend distribution tax)	(625.02)	(343.20)
Net cash flow used in financing activities (C)	**(10,774.48)**	**(4,563.90)**

Standalone Statement of Cash Flow (Continued) (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Net increase in cash and cash equivalents (A+B+C)	**1,108.47**	**75.51**
Cash and Cash Equivalents at the beginning of the year	415.05	381.64
Add: Unrealised loss on foreign currency Cash and cash Equivalents	(11.99)	(42.10)
Cash and cash equivalents at the end of the year	**1,511.53**	**415.05**
Components of cash and cash equivalents		
Cash on hand	12.85	13.61
Pursuant to scheme of amalgmation **(Refer note 42)**	-	0.08
Balances with bank:		
- in current account	998.68	272.72
- Term deposits with Original maturity less than 3 months	500.00	-
- Pursuant to scheme of amalgmation **(Refer note 42)**	-	1.58
Cheques on hand	-	127.06
Cash and cash equivalents as per Balance Sheet (Refer note : 15)	**1,511.53**	**415.05**
Change in Liabilities arising from financing activities:		
Borrowings - Non-Current (Refer note 18A)		
- Opening Balance (including Current Portion of Long term Borrowings)	4,685.03	4,343.83
- Cash Flow	(2,006.26)	292.53
- Non Convertible Non Cumulative redeemable preference shares	207.97	-
- Unrealised loss on foreign currency Borrowings	162.73	48.67
- Closing Balance	**3,049.47**	**4,685.03**
Borrowings - Current (Refer note 18B)		
- Opening Balance	7,796.43	11,014.62
- Cash Flow	(7,281.20)	(3,260.29)
- Unrealised loss on foreign currency Borrowings	29.72	42.10
- Closing Balance	**544.95**	**7,796.43**

Note:

1 The Cash flow statement has been prepared under the “Indirect method” as set out in Indain Accounting Standard (IND AS 7) Statement of cash flows prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014

2 Purchase of Property, Plant and equipment includes movements of capital work in progress (including capital advances)

Significant accounting policies	3
Notes to IND AS financial statements	1-46

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Notes to the Standalone IND AS Financial Statements (for the year ended 31 March 2019)

1) General information

Bharat Serums and Vaccines Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) Basis of preparation of standalone Ind AS Financial statements ("financial statements")

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March, 2019 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees rounded off to the nearest lakhs except for share data and per share data, unless otherwise stated.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle,

ii) Held primarily for the purpose of trading,

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period,

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) ***Basis of measurement***

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell.

d) ***Functional and Presentation Currency***

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

3) Summary of significant accounting policies

a) ***Property, plant and equipment ("PPE")***

I) Recognition and Measurement

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii)If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

iii) Any gain or loss on disposal of an item of property plant and equipment is recognised in the statement of profit and loss.

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

II) Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) Depreciation and Amortisation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use / (disposed of). Freehold land is not depreciated.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) Intangible Assets:

I) Recognition and measurement

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

III) Amortisation

mortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives for current and comparative periods are as follows:

Notes to the Standalone IND AS Financial Statements (for the year ended 31 March 2019)

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) ***Operating leases***

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

d) ***Impairment of non-financial assets***

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) ***Government grants and subsidies***

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

f) ***Financial instruments***

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) ***Investments***

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

j) ***Inventories***

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) ***Revenue recognition***

Sale of goods

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Services

The Company provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Revenue from rendering of services is recognised over time where the Company satisfies the performance obligation over time or point in time where the Company satisfies the performance obligation at a point in time.

Contract Balances

Trade receivables: a receivable represents the Company's right to an amount of consideration that is unconditional.

Deferred Income: Income received where in the performance obligation is not satisfied. They are classified as contract liabilities and disclosed as Deferred Income.

Advance from customers: when a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported, and no significant uncertainty exist regarding its ultimate collection.

l) Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

m) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Other Comprehensive Income. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

n) Income taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates {and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

-temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

-and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Segment reporting

Identification of segments

The Company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

p) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

q) ***Provisions, contingent liabilities and contingent assets:***

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

r) ***Cash and cash equivalents***

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

s) **Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)**

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance costs and tax expense.

4) **Key Accounting Estimates and Judgements**

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in Note 3 to the standalone financial statements, 'Significant accounting policies'.

a. **Estimate of current and deferred tax**

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

Notes to the Standalone IND AS Financial Statements (for the year ended 31 March 2019)

The complexity of the company's structure makes the degree of estimation and judhe complexity of the Cgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes to financial statements.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i. Biological Assets

Management uses inputs relating to production and market prices in determining the fair value biological assets.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

5 Property, Plant and Equipment and capital work in progress

Particulars	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improvements	Total
At deemed cost/ cost									
Balance as at 31 March 2017	**132.66**	**198.31**	**5,305.52**	**6,397.04**	**281.23**	**289.88**	**243.79**	**586.97**	**13,435.40**
Additions	-	-	466.63	2,294.18	46.87	88.58	14.73	-	**2,910.99**
Disposals	-	-	-	75.43	5.07	11.49	27.76	19.56	**139.31**
Balance as at 31 March 2018	**132.66**	**198.31**	**5,772.15**	**8,615.79**	**323.03**	**366.97**	**230.76**	**567.41**	**16,207.08**
Additions	-	-	470.53	3,564.14	99.66	49.91	227.93	-	**4,412.17**
Disposals	-	-	-	129.21	3.88	0.36	142.61	-	**276.06**
Balance as at 31 March 2019	**132.66**	**198.31**	**6,242.68**	**12,050.72**	**418.81**	**416.52**	**316.08**	**567.41**	**20,343.19**
Depreciation									
Balance as at 31 March 2017	-	**2.41**	**385.87**	**1,164.39**	**64.41**	**128.44**	**59.82**	**169.85**	**1,975.19**
Depreciation expense	-	2.40	151.81	1,151.39	45.45	79.94	27.46	151.34	**1,609.79**
Disposals	-	-	-	70.04	2.33	6.27	25.62	17.00	**121.26**
Balance as at 31 March 2018	-	**4.81**	**537.68**	**2,245.74**	**107.53**	**202.11**	**61.66**	**304.19**	**3,463.72**
Depreciation expense	-	**2.40**	162.11	652.98	37.86	69.60	31.62	148.78	**1,105.35**
Disposals	-	-	-	118.16	3.70	0.36	75.70	-	**197.92**
Balance as at 31 March 2019	-	**7.21**	**699.79**	**2,780.56**	**141.69**	**271.35**	**17.58**	**452.97**	**4,371.15**
Net Book value									
Balance as at 31 March 2018	132.66	193.50	5,234.47	6,370.05	215.50	164.86	169.10	263.22	**12,743.36**
Balance as at 31 March 2019	**132.66**	**191.10**	**5,542.89**	**9,270.16**	**277.12**	**145.17**	**298.50**	**114.44**	**15,972.04**
Capital work-in-progress									
Balance as at 31 March 2018	-	-	590.64	2,925.83	71.79	0.47	-	-	**3,588.73**
Balance as at 31 March 2019	-	-	**352.58**	**371.41**	**13.61**	**1.44**	-	-	**739.04**

Notes

5.1 Building includes Rs. 0.01 lakhs (31 March 18 Rs. 0.01 lakhs) representing cost of unquoted fully paid shares held in a co-operative housing society.

5.2 Freehold Land includes Rs 118.95 lakhs (31 March 18: Rs. 118.95 lakhs) held in the name of directors, on behalf of the company. The freehold land include land costing Rs. 89.26 lakhs (31 March 18 Rs. 89.29 lakhs) of which certain portion of land contended as forest land by the forest department however, the company has been legally advised that the contention of forest department is not tenable.

5.3 The Company has exercised the exemption/option given under para D13AA of Ind As 101 - First-time Adoption of Indian Accounting Standards, as per this option the company will continue the policy of recognising the exchange differences on long term foreign currency monetary items as per paragraph 46/46A of AS 11 and as per this the amount of such exchange (gain) / loss for the financial year ended 31 march 2019 aggregating Rs. 16.06 lakhs (31 March 2018 aggregating Rs. 1.14 lakhs) has been capitalised to the specifically identifiable asset.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

5 Property, Plant and Equipment and capital work in progress *(Continued)*

5.4 Assets taken on finance lease :

Particulars	Plant and machinery		Furniture and fixtures		Office equipment		Leasehold Improvement	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Gross block	**842.37**	**341.85**	**72.28**	**72.28**	**26.13**	**26.13**	**534.47**	**534.47**
Additions during the year	-	500.50	-	-	-	-	-	-
Depreciation charge for the year	1.63	545.19	10.28	13.86	3.53	6.48	142.97	142.97
Accumulated depreciation	826.60	824.97	42.84	32.56	21.89	18.36	428.91	285.94
Net block value	**15.77**	**17.40**	**29.44**	**39.72**	**4.24**	**7.77**	**105.56**	**248.53**

5.5 Refer note 18 on borrowings, for the details related to charge on Propert, plant and equipment of the Company.

5.6 Capital work in progress comprises expenditure in respect of various plants in the course of construction. Total amount of capital work in progress is Rs 739.04 lakhs as at 31 March 2019 (31 March 2018: Rs 3588.73 lakhs). This amount also includes capitalised borrowing costs related to the construction of various plants of Rs. 12.69 lakhs (For the year ended 31 March 2018: Rs. 41.51 Lakhs).

5.7 For Research & Development additions, refer note 35

6 Biological Assets other than bearer plants

Particulars	Livestocks	
	Quantity	Amount
Balance as at 31 March 2017	**876**	**108.76**
Purchases	18	2.49
Disposals	(228)	(26.98)
Change in fair value less cost to sell	-	6.92
Balance as at 31 March 2018	**666**	**77.35**
Purchases	103	15.85
Disposals	(96)	(7.80)
Change in fair value less cost to sell	-	(5.99)
Balance as at 31 March 2019	**673**	**79.41**

Notes

6.1 Measurement of fair value

The Company's biological assets comprises of livestocks (poines). Livestock is measured at fair value less costs to sell, with any resulting gain or loss recognized in the statement of profit and loss

i) Fair Value hierarchy

The fair value measurements for livestocks has been categorised as Level 3 fair values based on the inputs to valuation technique used

ii) Level 3 Fair values

The following table shows a break down of the total losses recognised in respect Level 3 fair values-

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

6 Biological Assets other than bearer plants (Continued)

Particulars	31-March-19	31-March-18
Loss included in statement of profit and loss	5.99	6.92

iii) Valuation techniques and significant unobservable inputs

Type	Valuation techniques	Significant unobservable	Inter-relationship between significant unobservable inputs and fair value measurement / Sensitivity analysis
Livestocks (ponies)	Cost approach and expected depletion in value	Estimated feeding cost/ producing ponies	Estimate feeding cost/ producing poines increase by 1% would reduce the fair valuation by Rs 0.06 lakhs and Rs 0.07 lakhs as of 31 March 2019 and 2018 respectively
		Discount rate	Discount rate increase by 1% would reduce the fair valuation by Rs 0.84 lakhs and Rs 0.66 lakhs as of 31 March 2019 and 2018 respectively.

6.2 Risk Management strategies related to its activities

The Company is exposed to the following risks relating to its activities:

i) Regulatory and environmental risks

The company is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same

ii) Supply and demand risks

The Company is exposed to risks arising from fluctuations in the price and volume of plasma.

iii) Climate and other risks

The Company's livestock is exposed to risk of adverse climatic conditions and diseases etc. The Company has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checups of livestocks.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

7 Intangible assets

Particulars	Computer Software	Patent	Technical known-how	Total
At Deemed Cost/ cost				
Balance as at 31 March 2017	**439.70**	**59.41**	**5,794.59**	**6,293.70**
Additions	30.29	-	3,343.05	3,373.34
Disposals	0.30	-	-	0.30
Balance as at 31 March 2018	**469.69**	**59.41**	**9,137.64**	**9,666.74**
Additions	96.67	-	-	96.67
Disposals	-	-	-	-
Balance as at 31 March 2019	**566.36**	**59.41**	**9,137.64**	**9,763.41**
Amortisation				
Balance as at 31 March 2017	**192.37**	**12.44**	**874.86**	**1,079.67**
Amortisation expenses	173.34	8.19	942.27	1,123.80
Disposals	0.04	-	-	0.04
Balance as at 31 March 2018	**365.67**	**20.63**	**1,817.13**	**2,203.43**
Amortisation expenses	79.25	8.23	1,125.53	1,213.01
Disposals	-	-	-	-
Balance as at 31 March 2019	**444.92**	**28.86**	**2,942.66**	**3,416.44**
Carrying Amount				
Balance as at 31 March 2018	104.02	38.78	7,320.51	7,463.31
Balance as at 31 March 2019	**121.44**	**30.55**	**6,194.98**	**6,346.97**
Intangible assets under development				
Balance as at 31 March 2018	108.42	18.08	547.98	674.48
Balance as at 31 March 2019	**144.16**	**18.08**	**617.64**	**779.88**

Notes

7.1 Intangible assets under development comprises expenditure in respect of various projects. Total amount of intangible assets under development is Rs. 779.88 lakhs as at 31 March 2019 (Rs 674.48 lakhs as at 31 March 2018)

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

8 Investments

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos.	Amount	Nos.	Amount
Non-current				
In Equity Shares Unquoted: [at cost less Provision for Diminution in value of Investment]				
Investment in subsidiaries (fully paid)				
BSV Biosciences Inc., USA (Face Value of USD. 1 each)	1,000,000	441.83	1,000,000	441.83
BSV Biosciences GmbH, Germany (Face value of EURO 100 each)	10,250	860.26	10,250	860.26
BSV Biosciences Philippines Inc., Philippines (Face Value of Pesso 1 each)	9,350,000	141.87	9,350,000	141.87
Eurolife Regen Private Limited (fully paid up) (Face Value of Rs 10 each) [Impairment in value of	1,000,000	100.00	1,000,000	100.00
investments Rs. 100 Lakhs (Rs. 100 lakhs as at 31st March 2018)]				
Less: Provision for Diminution in value of Investment	(1,000,000)	(100.00)	(1,000,000)	(100.00)
		1,443.96		**1,443.96**
i) Aggregate amount of unquoted investments		1,543.96		1,543.96
ii) Aggregate amount for Diminution in value of investments		100.00		100.00

9 Loans

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
9A Non-current		
(Unsecured, Considered Good, unless otherwise stated)		
Loans to employees	27.07	19.46
Loans to subsidiary companies (refer note 40)	2,049.03	1,373.81
Security Deposits	885.95	493.86
Non -Current total	**2,962.05**	**1,887.13**
9B Current		
(Secured, Considered Good, unless otherwise stated)		
Inter-corporate deposits (refer note 9.1 below)- Secured	897.00	899.00
(Unsecured, Considered Good, unless otherwise stated)		
Security Deposits		
- Considered good	459.19	412.25
- Considered doubtful	347.00	217.00
Less : Provision for doubtful deposits	(347.00)	(217.00)
Loans to employees	17.16	13.20
Current total	**1,373.35**	**1,324.45**
Total	**4,335.40**	**3,211.58**

Note

9.1 Secured by pledge of shares and personal guarantee by all directors in those companies and are given for business purposes.

9.2 Loans to subsidiary companies are given for business purposes.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

10 Other Financial Assets

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
10A Non-current		
(Unsecured, Considered Good, unless otherwise stated)		
Margin money deposits with maturity beyond 12 months (Refer note 10.1 below)	118.98	156.91
Non -Current total	**118.98**	**156.91**
10B Current		
(Unsecured, Considered Good, unless otherwise stated)		
Interest on deposits accured but not due	28.09	41.06
Interest accured on but not due	360.89	238.24
Other receivables	0.01	36.79
Current total	**388.99**	**316.09**
Total	**507.97**	**473.00**

Note

10.1 Margin money deposits of Rs 118.98 lakhs (31 March 2018: 156.91 lakhs) are under lien with the government tender.

11 Income Taxes

(A) Components of Income Tax Expenses

(i) Amounts recognised in profit and loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current Tax:		
Current year tax	3,142.60	2,005.01
	3,142.60	**2,005.01**
Deferred tax:		
Minimum Alternate Tax (MAT) credit entitlement	1,363.36	271.95
MAT entitlement credit of earlier years written off	-	222.95
Origination and reversal of temporary differences	(53.09)	(403.70)
	1,310.27	**91.20**
Deferred tax pertaining to earlier years	-	99.04
Tax expense for the year	**4,452.87**	**2,195.25**

(ii) Amounts recognised in other comprehensive income

Particulars	For the Year ended 31 March 2019			For the Year ended 31 March 2018		
	Befor tax	Tax (expenses)/ benefit	Net of tax	Befor tax	Tax (expenses)/ benefit	Net of tax
Item that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plan	83.11	(28.76)	54.35	28.45	(9.85)	18.60

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

11 Income Taxes (Continued)

(B) Reconciliation of effective tax rate

Particulars	%	For the year ended 31 March 2019	%	For the year ended 31 March 2018
Profit before tax		**14,123.94**		**9,577.38**
Tax using the Company's statutory tax rate	34.94%	4,934.90	34.61%	3,314.73
Increase in tax rate				
Tax effect of :				
Additional allowances under income tax in respect of section	-4.16%	(587.59)	-5.28%	(506.02)
35 (2AB)				
Donation	0.64%	90.82	0.41%	39.25
Utilisation of unrecognised tax losses of Kasiak Reasearch	-	-	-10.88%	(1,042.11)
Private Limited on amalgamation (Refer note 42)				
Others	0.10%	14.74	4.07%	389.40
	31.5%	**4,452.87**	**22.9%**	**2195.25**

(C) Movement in deferred tax assets and liabilities

Particulars	For the year ended 31 March 2019			
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	3,258.77	156.31	-	3,415.08
Expenditure covered by section 35(2AB) of IT Act, 1961	299.37	16.75	-	246.12
	3,488.14	**173.06**	-	**3,661.20**
Deferred Tax Assets				
Trade Receivables	215.98	141.64	-	357.62
Employee benefits	724.61	142.51	(28.76)	838.35
MAT credit entitlement	3,918.80	(1,363.36)	-	2,555.44
Other provisions	484.19	(58.00)	-	426.19
	5,343.58	**(1,137.21)**	**(28.76)**	**4,177.60**
Net tax assets	**1,855.44**	**(1,310.27)**	**(28.76)**	**516.41**

Particulars	For the year ended 31 March 2018			
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Deferred Tax Liabilities				
Property, plant and equipment and Intangible asset	2,317.66	941.11	-	3,258.77
Expenditure covered by section 35 (2AB) of IT Act, 1961	1,361.02	(1,131.65)	-	229.37
	3,678.68	**(190.54)**	-	**3,488.14**
Deferred Tax Assets				
Trade Receivables	58.17	157.81	-	215.98
Employee benefits	605.19	129.27	(9.85)	724.61
MAT credit entitlement	4,512.74	(593.94)	-	3,918.80
Other provisions	558.11	(73.92)	-	484.19
	5,734.21	**(380.78)**	**(9.85)**	**5,343.58**
Net tax assets	**2,055.53**	**(190.24)**	**(9.85)**	**1,855.44**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

11 Income Taxes (Continued)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company has carry forward amount of MAT of Rs. 2555.44 lakhs as at 31 March 2019 ; Rs 3918.80 lakhs as at 31 March 2018.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(D) Tax assets and liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Non Current tax assets (net)	261.53	585.60
Current tax liabilities (net)	262.69	585.24

12 Other Assets

Particulars	As at 31 March 2019	As at 31 March 2018
12A Non Current		
(Unsecured, Considered Good unless otherwise stated)		
Capital advances		
Considered good	57.75	242.83
Considered doubtful	62.95	20.90
Less: Allowance for doubtful capital advances	(62.95)	(20.90)
Balance with statutory/ Government authorities	462.48	462.48
Prepaid expenses	48.69	8.34
Non Current Total	**568.92**	**713.65**
12B Current		
(Unsecured, Considered Good unless otherwise stated)		
Export entitlements receivable	561.98	880.04
Advance to Suppliers (Other than related party):		
Considered good	821.60	1,216.64
Considered doubtful	123.45	130.17
Less: Allowance for bad and doubtful advances suppliers	(123.45)	(130.17)
Advance to Suppliers related party (Refer note 40)	108.11	129.18
Advance to employees for expenses	114.18	148.25
Prepaid expenses	295.83	302.31
Balance with statutory/ Government authorities	2,213.64	1,551.77
Other assets	38.61	25.06
Current Total	**4,153.95**	**4,253.25**
Total	**4,722.87**	**4,966.90**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw Materials	3,159.26	3,596.27
Packing materials	692.58	644.56
Work-in-progress	4,486.50	3,835.04
Finished goods	1,997.64	1,753.53
Stock-in-trade	3,261.37	2,151.10
Stores and spares	513.48	347.52
Goods-in-Transit		
- Raw Materials	161.19	598.98
- Packing Materials	-	-
- Stock-in-trade	-	2.74
Total	**14,272.02**	**12,929.74**

Note

13.1 The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2019 is Rs.203.85 lakhs (31 March 2018: Rs. 220.26 lakhs).

13.2 Refer Note 18 on Borrowings, for the details related to charge on inventories lying with the Company.

14 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured)		
Considered good	14,876.02	15,099.48
Considered doubtful	490.00	250.00
Less: Loss Allowance	(490.00)	(250.00)
Total	**14,876.02**	**15,099.48**

Note

14.1 Above Trade Receivables include amount due from related parties 31 March 2019; Rs. 616.29 lakhs; (31 March 2018 Rs. 3160.12 lakhs) - Refer Note 40

14.2 Refer Note 18 on Borrowings, for the details related to charge on Trade receivables.

15 Cash and cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	12.85	13.69
Balance with Banks		
In Current accounts	998.68	274.30
Term deposits with Original maturity less than 3 months	500.00	-
Cheques in Hand	-	127.06
Total	**1,511.53**	**415.05**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

16 Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Term deposits with maturity exceeding 3 months and less than 12 months	381.66	209.84
Total	**381.66**	**209.84**

Note

16.1 Margin money deposits of Rs 381.66 lakhs (31 March 2018: Rs 209.84 lakhs) are under lien with the government tender.

17 Share capital

17.1 Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amounts	Numbers	Amounts
Authorised				
Equity shares of Rs. 5/- each	19,767,800	988.39	19,767,800	988.39
Equity shares differential voting right of Rs. 5/- each ('DVRS')	200	0.01	200	0.01
	19,768,000	**988.40**	**19,768,000**	**988.40**
Issued, Subscribed and fully paid up				
Equity share capital				
Equity shares of Rs.5/- each	18,839,134	941.96	18,734,913	936.75
Equity shares with differential voting right of Rs. 5/- each ('DVRS')	100	0.01	100	0.01
Total	**18,839,234**	**941.97**	**18,735,013**	**936.76**

17.2 Preference Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amounts	Numbers	Amounts
Authorised				
0.01% Convertible redeemable preference shares of Rs. 5/- each ('CRPS')	920,000	46.00	920,000	46.00
0.01% Convertible cumulative preference shares of Rs. 5/- each series - I ('CCPS-I')	742,000	37.10	742,000	37.10
0.01% Convertible cumulative preference shares of Rs. 5/- each series - II ('CCPS-II')	1,350,000	67.50	1,350,000	67.50
0.01% Convertible cumulative preference shares of Rs. 5/- each series - III ('CCPS-III')	920,000	46.00	920,000	46.00
0.01% Convertible cumulative preference shares of Rs. 5/- each series - IV ('CCPS-IV')	400,000	20.00	400,000	20.00
Total	**4,332,000**	**216.60**	**4,332,000**	**216.60**
Issued, subscribed and fully paid up				
0.01% Convertible redeemable preference shares of Rs. 5/- each ('CRPS')	-	-	-	-
0.01% Convertible cumulative preference shares of Rs. 5/- each series - I ('CCPS-I')	714,119	35.71	714,119	35.71
0.01% Convertible cumulative preference shares of Rs. 5/- each series - II ('CCPS-II')	10	-	10	-
0.01% Convertible cumulative preference shares of Rs. 5/- each series - III ('CCPS-III')	919,243	45.96	919,243	45.96
0.01% Convertible cumulative preference shares of Rs. 5/- each series - IV ('CCPS-IV')	369,135	18.46	369,135	18.46
Total	**2,002,507**	**100.13**	**2,002,507**	**100.13**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

17 Share capital (Continued)

17.2 Preference Share Capital (Continued)

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	31 March 2019		31 March 2018	
	No. of Shares	Amounts	No. of Shares	Amounts
Equity shares:				
At the beginning of the period	18,735,013	936.76	18,735,013	936.76
Add: Issue of shares (Refer Note 42)	104,221	5.21	-	-
At the end of the period	**18,839,234**	**941.97**	**18,735,013**	**936.76**

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amounts	Numbers	Amounts
Preference shares: (Refer Note : 17 (d))				
CCPS - I				
At the beginning of the period	714,119	35.71	714,119	35.71
Less: Conversion of CCPS I to equity shares	-	-	-	-
At the end of the period	**714,119**	**35.71**	**714,119**	**35.71**
CCPS - II				
At the beginning of the period	10	0.00	10	0.00
Less: Conversion of CCPS II to equity shares	-	-	-	-
At the end of the period	**10**	**0.00**	**10**	**0.00(*)**
CCPS - III				
At the beginning of the period	919,243	45.96	919,243	45.96
Less: Conversion of CCPS III to equity shares	-	-	-	-
At the end of the period	**919,243**	**45.96**	**919,243**	**45.96**
CCPS - IV				
At the beginning of the period	369,135	18.46	369,135	18.46
Less: Conversion of CCPS IV to equity shares	-	-	-	-
At the end of the period	**369,135**	**18.46**	**369,135**	**18.46**

(*) Amount less than Rs. 1000

Shares bought back (during 5 financial years immediately preceding 31 March 2019)

Particulars	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Equity Shares bought back	-	-	-	261,686	-

(c) Rights and terms attached to equity shares

The Company has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Company declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

104,221 equity shares of Rs. 5/- each (March 2018: NIL) have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

19,769,917 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each (March 2018: NIL) have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

17 Share capital *(Continued)*

(d) Rights and terms of conversion / redemption of Preference Shares

The Company has one class of preference shares viz. Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I, Series II, Series III and Series IV . The brief terms are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	20 years from the date of issue
4. Conversion Ratio	Each CCPS shall be converted into 1 (one) Equity Share of the Company
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Company.
6. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Company along with original Share Certificate. 2. Upon receipt of Conversion Notice, Company to initiate conversion process. 3. Company to issue Equity Share Certificate within 30 days of conversion.
7. Buyback/Redemption Right	Holder has a right to get CCPS converted by the Company as per the terms of Shareholder's Agreement.
8. Compulsory Conversion/ Redemption	At the expiry of tenure of the CCPS
9. Liquidation Right	In the event of liquidation of the company before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
10. Pari Passu Participation Right	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.

(e) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Gautam V. Daftary	3,018,745	16.02%	2,965,862	15.83%
Bharat V. Daftary	3,018,745	16.02%	2,965,862	15.83%
Bharat V. Daftary Jt. Bhavna Daftary	1,830,322	9.72%	1,830,322	9.77%
Gautam V. Daftary Jt. Aarti Daftary	1,830,322	9.72%	1,830,322	9.77%
Aarti Daftary Jt. Gautam Daftary	1,043,847	5.54%	1,043,847	5.57%
Bhavna Daftary Jt. Bharat Daftary	1,043,847	5.54%	1,043,847	5.57%
Orbimed Asia Mauritius Limited	2,075,017	11.01%	2,075,017	11.08%
Orbimed Asia II Mauritius FVCI Investments Limited	1,264,554	6.71%	1,264,554	6.75%
DVRS of Rs.5 each fully paid				
Kotak India Prviate Equity Fund III (Kotak II)	50	50.00%	50	50.00%
Orbimed Asia II Mauritius FVCI Investments Limited	50	50.00%	50	50.00%
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	714,199	100.00%	714,119	100.00%

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

17 Share capital (Continued)

(e) Details of shareholders holding more than 5% shares in the company (Coutinued)

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding in the class	No of shares	% holding in the class
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	10	100%	10	100%
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	919,243	100.00%	919,243	100.00%
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	68,000	18.42%	68,000	18.42%
Kotak India Private Equity Fund III (Kotak II)	64,373	17.44%	64,373	17.44%
Kotak Mahindra Life Insurance Company Limited (KLI)	149,304	40.45%	149,304	40.45%
Kotak India Growth Fund III (Kotak India)	87,458	23.69%	87,458	23.69%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17A Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Reserve	(2,554.81)	(2,554.81)
Capital Redemption Resesrve	48.05	48.05
Securities Premium Reserve	10,572.19	10,572.19
General Reserve	6,051.27	5,648.27
Equity Componenr of compoundfinancial instrument	780.53	-
Retained Earnigs	32,925.61	24,228.21
Total	**47,822.84**	**37,941.91**

17A. 1 Capital Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(2,554.81)	(2,554.81)
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**(2,554.81)**	(2,554.81)

17A. 2 Capital Redemption Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	48.05	48.05
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**48.05**	48.05

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

17A. 3 Securities Premium Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	10,572.19	10,572.19
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**10,572.19**	**10,572.19**

17A. 4 General Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	5,648.27	5,245.27
Add/(Less): Additions/ (Deductions) during the year	403.00	403.00
Closing balance	**6051.27**	**5,648.27**

17A. 5 Equity Component of compound financial instrument

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-	-
Add: Equity Component of compound financial instruments	780.53	-
Closing balance	**780.53**	-

17A. 6 Retained Earnings

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	24,228.21	17,573.68
Add: Profit for the year	9,671.07	7,382.13
Add: Other Comprehensive Income for the year, net of tax	54.35	18.60
Less: Dividend on Equity Shares	(468.38)	(257.61)
Less: Dividend on Preference Shares	(50.07)	(27.54)
Less: Corporate Tax on Dividend	(106.57)	(58.05)
Less: Transfer to General Reserve	(403.00)	(403.00)
Closing balance	**32,925.61**	**24,228.21**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

18 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
18A Non-current Borrowings		
Secured:		
Term Loan		
From banks		
- Foreign Currency Loan	1,921.86	3,583.87
- Vehicle Loan	37.14	-
Term loan from department of biotechnology	216.34	283.00
Finance lease obligations **(Refer note 34A)**	399.67	563.84
Unsecured		
Loan from Department of Science and Technology	266.49	254.32
0.01% Non Convertible Non Cumulative redeemable preference shares of Rs. 5/- each ('NCNCRPS') (Refer note 42)	207.97	-
Total Non-Current Borrowings	**3,049.47**	**4,685.03**
Less: Amount disclosed under the head " Other current financial liabilities"		
- Current maturities of long-term debt	1,241.43	1,662.61
- Current maturities of finance lease obligations	184.91	164.17
Non-Current Borrowings	**1,623.13**	**2,858.25**
18B Current Borroings		
Secured		
Cash credit from banks	-	3,546.77
Buyers credit from banks	438.17	2,044.61
Packing credit foreign currency	-	650.56
Foreign bill discounting	-	947.71
Working capital demand loan	-	500.00
Loan from directors (Refer note 40)	106.78	106.78
Current Borrowings	**544.95**	**7,796.43**

Notes:-

Non-Current Borrowing

18.1 Foreign Currency Term Loans were taken from Exim bank and are secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Company situated at Ambernath Plant and office at Nariman Point. Terms of repayment are as under:

Bank Name	Rate of intrest p.a.	No. of instalments pending	Installment Amount per quarter (Amount in USD Lakhs)	Commencement from
Exim Bank	Libor +300BP	9	2.88	Sep-17
Exim Bank	Libor +300BP	1	0.69	Sep-14
Exim Bank	Libor +300BP	1	1.98	Apr-17

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

18 Borrowings (Continued)

18.2 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal annual installments of Rs.94.30 lakhs commencing from July 2012.

18.3 Finance lease obligations are secured by leased equipments and leas hold improvements. The rate of interest implicit in finance lease is 12.07% to 15.94% p.a. for a period of 3 to 5 years

18.4 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal annual installments of Rs.65.69 lakhs and Rs.70.70 lakhs each commencing from 1 Apr 2011 for two projects.

18.5 Vehicle loan of Rs. 53.91 Lakhs carries interest rate 9.25% p.a. and is repayable in 12 equal monthly installments of Rs.4.72 lakhs commencing October 2018 and Loan of Rs. 37.00 Lakhs carries interest rate 9.00% p.a. and is repayable in 12 equal monthly installments of Rs.3.24 lakhs commencing July 2018.

18.6 Non Convertible Non Cumulative redeemable preference shares carries interest at the rate of 0.01% p.a. is redeemable at par on 27 March 2038.

Current Borrowing

18.7 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting & working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery and other movable assets of the Company situated at Thane factory; first pari-passu charge on the immovable assets of the Company situated at Thane Factory; and second charge on the immovable assets of the Company situated at Ambernath Plant. All these loans are repayable on demand.

18.8 The cash credit carries interest of 8.55% to 10.50% p.a.

18.9 The buyers credit from banks carries average interest rate of euribor 2.85% p.a.

18.10 Packing credit & foreign bill discounting carries average interest rate of libor + 1.50% p.a. to 2.50% p.a.

18.11 Working capital demand loan carries interest rate of 8.55% to 10.50%

18.12 The Company has not defaulted on repayment of loans and interest during the year.

19 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
19A Current		
Current maturities of lomg-term debt	1,241.43	1,662.61
Current maturities of finance lease obligations	184.91	164.17
Payable due to scheme of amalgmation (Refer note 42)	-	993.71
Security Deposit	1,780.65	1,787.74
Interest accured but not due on borrowings	162.69	175.40
Salary payable	85.60	112.05
Bonus payable	256.46	250.14
Unpaid incentives	723.11	403.52
Capital creditors	184.18	300.18
Derivative Liabilities	-	26.75
Current Total	**4,619.03**	**5,876.27**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

20 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
20 ANon-Current		
Deferred income		
Licencing income	204.68	25.98
Government Grant (Refer note 44)	281.94	345.73
Concessional loan	41.99	85.02
Non-current total	**528.61**	**456.73**
20 BCurrent		
Advances from customers	293.87	87.03
Statutory liabilities		
TDS payable	176.17	173.06
Others	110.80	103.36
Deferred income		
Profit on sale and lease back transaction	-	19.94
Licencing income	17.86	17.86
Government Grant (Refer note 44)	63.79	63.79
Concessional loan	30.86	27.64
Current total	**693.35**	**492.68**
	1,221.96	**949.41**

21 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
21A Non-Current		
Provision for employee benefits		
Compensated absences	948.50	722.07
Gratuity (Refer note 28A)	457.19	363.23
Provision for anticipated sales returns (Refer note below)	606.33	228.98
Non -Current Total	**2,012.02**	**1,314.28**
21B Current		
Provision for employee benefits		
Compensated absences	820.38	833.77
Gratuity (Refer note 28A)	173.06	182.86
Provision for anticipated sales returns (Refer note below)	639.22	796.57
Current Total	**1,632.66**	**1,813.20**
	3,644.68	**3,127.48**

Note : Additional disclosures relating to provision for sales return : (as per Indian Accounting Standard (Ind AS 37))

Particulars	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	1,025.55	928.55
Provision made during the year	1,016.57	792.85
Provision utilised during the year	(796.57)	(695.85)
Closing balance	**1,245.55**	**1,025.55**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

22 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
Due to Micro and Small Enterprises (Refer Note Below)	43.38	13.38
Other than Micro and Small Enterprises	5,921.95	5,552.56
Total	**5,965.33**	**5,565.94**

Notes

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Principal amount remaining unpaid	43.38	13.38
Interest due thereon remaining unpaid	0.49	0.81
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv) Amount of Interest accrued and remaining unpaid at the end of accounting year	4.69	4.35
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	4.20	3.54

23 Revenue from Operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of Products (A)		
(i)Finished Goods	65,658.19	61,106.91
(ii) Traded Goods	12,200.85	8,766.81
(iii) Service Income	-	175.57
	77,859.04	**70,049.29**
Other Operating revenue (B)		
(i) Export entitlements	691.79	670.33
(ii) Others	137.12	107.65
	828.91	**777.98**
Total (A)+(B)	**78,687.95**	**70,827.27**

Note : Revenue from operations is through contract entered between customer and the company.

24 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on		
- Bank deposits	31.01	25.10
-Other financial assets at amortised cost	218.23	234.87
Exchange gain on foreign currency fluctuations (net)	154.50	613.27
Profit on sale of fixed assets (net)	9.55	36.89
Miscellaneous income	526.32	598.62
Total	**939.61**	**1,508.75**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

25 Cost of materials consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw materials consumed		
Opening Stock	4,195.25	3,391.59
Purchases	15,869.56	16,628.30
Less : Closing Stock	3,320.45	4,195.25
Total Raw material consumed (A)	**16,744.36**	**15,824.65**
Packing materials consumed		
Opening Stock	644.56	1,056.53
Purchases	2,252.57	1,671.84
Less : Closing Stock	692.58	644.56
Total Packing material consumed(B)	**2,204.55**	**2,083.81**
Total consumption (A+B)	**18,948.91**	**17,908.45**

26 Purchases of Stock-in-Trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of Stock-in-Trade		
a. Injectables	4,710.17	4,711.78
b. Others	4,999.56	2,755.96
Total	**9,709.73**	**7,467.74**

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Closing inventories (A)		
Finished goods	1,997.64	1,753.53
Work-in-progress	4,486.50	3,835.04
Stock-in-trade	3,261.37	2,151.10
	9,745.51	**7,739.67**
Opening inventories (B)		
Finished goods	1,753.53	2,085.41
Work-in-progress	3,835.04	3,847.12
Stock-in-trade	2,151.10	2,254.71
	7,739.67	**8,187.24**
(B)-(A)	**(2,005.84)**	**447.57**

28 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries,wages and bonus	11,973.06	11,081.40
Contribution to provident funds and other funds (Refer note 28B)	603.54	572.65
Gratuity expense	356.09	305.49
Employees welfare expenses	404.84	393.74
	13,337.53	**12,353.28**

Disclosure of employee benefits as per Indian Accounting Standard (IND AS19)

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

28 Employee benefits expense (Continued)

28A) Defined benefit plan:

I) Gratuity

The Company operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of Profit and Loss

Net Employee benefit expenses recognised in the employee cost

Defined benefit plan	Gratuity	
	31 March 2019 (Rs. in Lakhs)	31 March 2018 (Rs. in Lakhs)
Expenses recognised in the statement of profit and loss for the year		
Current service cost	204.53	182.52
Past service cost	-	102.02
Benefits Paid	113.82	-
Interest cost (net)	37.74	20.95
Expenses recognised in the statement of profit and loss	**356.09**	**305.49**
Remeasurements recognised in other comprehensive income		
Loss / (Gain) recognized for the period	(76.65)	(36.99)
Return on Plan Assets excluding net Interest	(6.47)	8.54
Expense / (income) recognised in other comprehensive income	**(83.10)**	**(28.45)**
Benefit assets / liabilities		
Present value of defined benefit obligation	(1524.15)	(1299.82)
Fair value of plan assets	893.90	753.73
Plan asset / (liability)	**(630.25)**	**(546.09)**
Reconciliation of present value of the defined benefit obligation :		
Opening defined benefit obligation	1299.82	1117.38
Current service cost	204.53	182.52
Past service cost	0.00	102.02
Interest cost	96.45	70.02
Benefits paid	0.00	(135.13)
Actuarial (gains) / losses recognised in other comprehensive income	(76.65)	(36.99)
Closing defined benefit obligation	**1,524.15**	**1,299.82**
Reconciliation of present value of plan assets :		
Opening fair value of plan assets	753.73	758.31
Return on plan assets recognised in other comprehensive income	6.47	(8.54)
Interest Income	58.70	49.09
Contributions by employer	75.00	90.00
Benefits paid	-	(135.13)
Closing fair value of plan assets	**893.90**	**753.73**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

28A) Defined benefit plan: *(Continued)*

I) Gratuity *(Continued)*

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Defined benefit plan	Gratuity	
	31 March 2019	31 March 2018
Gratuity fund (Kotak Mahindra Old Mutual life Insurance Ltd.)	100%	100%
Disclosure of employee benefits as per Indian Accounting Standard (IND AS 19) *(Continued)*		

I) Gratuity

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Years of service	31 March 2019	31 March 2018
Discount rate		7.19%	7.42%
Expected rate of return on assets		7.19%	7.42%
Salary escalation rate (p.a.)		9.00%	9.00%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Gratuity					
Defined benefit obligation	1,524.15	1,299.82	1,117.38	801.19	620.39
Plan assets	893.90	753.73	758.31	581.94	525.47
Surplus / (deficit)	(630.25)	(546.09)	(359.07)	(219.25)	(94.93)
Experience adjustments on plan assets	6.47	(8.54)	25.81	(10.93)	34.97

The management has relied on the overall actuarial valuation conducted by the actuary.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

28A) Defined benefit plan: *(Continued)*

I) Gratuity *(Continued)*

	Period Ended 31-Mar-19		Period Ended 31-Mar-18	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	(105.04)	95.06	(91.40)	81.49
Impact of decrease in 100 bps on DBO	120.15	(88.20)	104.86	(75.25)

ii) Leave encashment

Amount of Rs. 289.42 Lakhs (31 March 2018 Rs. 156.10 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

Acturial assumptions	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Discount rate	7.19%	7.42%	6.67%	8.00%	9.19%
Salary escalation rate (p.a.)	9.00%	9.00%	9.00%	7.50%	7.50%

B)Defined contribution plans:

The Company makes contributions towards provident fund, Employee Pension Scheme and Employee State Insurance Scheme to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund, Employee Pension Scheme and Employee State Insurance Scheme is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said provident fund, Employee Pension Scheme and Employee State Insurance Scheme.

Amount of Rs. 603.54 Lakhs (31 March 2018 Rs. 572.65 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

29 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Accessories and consumables	1,006.52	962.40
Animal feeding and maintenance	192.84	208.19
Contract labour charges	589.13	742.05
Power and fuel	1,409.02	1,197.13
Freight and forwarding charges	1,304.18	1,153.32
Rent (Refer Note : 34B)	370.39	487.34
Rates and taxes	214.35	281.64
Insurance	306.10	292.27
Excise duty paid	-	269.06
Repairs and maintenance:		
- Plant and machinery	374.87	286.98
- Buildings	306.56	236.65
- Others	74.47	72.34
Advertising and sales promotion	2,441.18	2,123.67
Sales Commission	2,991.01	2,850.53
Travelling and conveyance	2,742.77	2,594.77
Legal and professional fees	1,638.94	1,312.15
Printing and stationary	75.12	235.16
Payment to auditors (Refer Note : 29 A)	48.06	51.96
Analytical and inspection charges	645.98	710.13
Provision for doubtful debts	240.00	250.00

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
Provision for doubtful advance and deposits		165.33		200.00
Provision for impairment of investments		-		100.00
Bad debts	-		-	
Less: Provision for doubtful debts reversed	-	-	-	-
Research and development expenses (Refer Note : 35)		3,249.85		2,271.75
Property plant and equipment written off		7.37		46.53
Sundry balances written off		422.97		182.36
Distribution expenses		213.18		247.12
Corporate Social Responsibility (CSR) expenditure (Refer Note 38)		247.54		86.89
Bank charges		101.68		85.77
Miscellaneous expenses		960.24		1,049.99
Total		**22,339.65**		**20,588.15**

29A Payment to auditors

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Auditors' remuneration		
Statutory Audit fees	35.00	41.75
Fees for certification	8.08	6.91
Reimbursement of out-of-pocket expenses	0.48	-
Payments to tax auditors		
Tax audit fees	4.50	3.30
	48.06	**51.96**

30 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on		
- Bank overdraft and others	741.33	1,024.92
Other borrowing cost	107.96	228.02
	849.29	**1,252.94**

31 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (Refer note 5)	1,105.35	1,609.79
Change in fair value of biological asset (Refer note 6)	5.99	6.92
Amortisation of intangible assets (Refer note 7)	1,213.01	1,12.80
	2,324.35	**2,740.51**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

32 Contingent Liabilities not provided for

	Particulars	As at 31 March 2019	As at 31 March 2018
A	**Claims against Company not acknowledged as debt:**		
	Service tax demand disputed in appeal;advances paid in dispute Rs 75 Lakhs (31 March 2018 Rs 75 Lakhs)	397.24	397.24
	Income tax demand disputed in appeal;advances paid in dispute Rs Nil (31 March 2018 Rs Nil)	935.25	935.25
B	Guarantees given by Company in favour of Subsidiaries to Banks (Refer Note 40)	2,185.65	2,188.44
		3,518.14	3,520.93
C	There are numerous interpretative issues relating to the Honourable Supreme Court judgement on Provident Fund dated 28-Feb-2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the said order. The Company will update its provision, on receiving further clarity on the subject.		

Notes

32.1 Management considers that the service tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

32.2 The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have materially adverse effect on its financial statements.

32.3 The Bank Guarantees given are for business purpose.

33 Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
1 Estimated amount of contracts remaining to be executed on Capital Accounts -net off advance paid **Rs 77.70 Lakhs** (31 March 2018 Rs 263.73 Lakhs)	509.99	934.29
2 Other Commitments-Non Cancellable Operarting Lease (Refer Note 34)	165.62	456.11

34 Leases

The Company has entered into finance and operating lease agreements. As required under Ind AS 17 on 'Leases', the future minimum lease payments on account of each type of lease are as follows:

A. Finance Leases / Hire Purchase (Computer & peripherals)

The assets acquired on finance lease comprises of equipments, leasehold improvements, office equipments, electrical installation and furniture. The minimum lease rentals, the present value of minimum lease payments and finance charges as at year end in respect of assets acquired under finance lease Hire purchase are as follows.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

34 Leases (Continued)

Particulars	Future lease payments		Present value of future minimum lease payments		Finance charge	
As at 31 March	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Not later than one year	224.98	224.98	184.91	164.17	40.08	60.81
Later than one year and not later	230.21	455.18	214.76	399.67	15.44	55.52
than five years						
Later than five years	-	-	-	-	-	-
TOTAL	**455.19**	**680.16**	**399.67**	**563.84**	**55.52**	**116.33**

The salient features of a finance lease / hire purchase agreement are:
- Option to purchase the assets will be at the end of the lease term / hire purchase on payment of a nominal option price.
- In the event of default, the lessee / hirer is responsible for payment of all costs of the owner including the financing cost and other associated costs. Further a right of repossession is available to the lessor / owner.
- Under some of the agreements, refundable interest free deposits have been given.
- The Lessee / Hirer is responsible for maintaining the assets as well as insuring the same.

The Company was in compliance with all its corporate and financial covenants as at 31 March 2019.

B. Operating leases

The Company has entered into non cancellable operating lease agreements for various premises & other equipments under can cellable and non-cancellable operating leases.

The future minimum lease payment in respect of non-cancellable period as at 31 March 2019 are as follows :

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	101.12	290.49
Later than one year and not later than five years	64.50	165.62
Later than five years	-	-
TOTAL	**165.62**	**456.11**

The salient features of an operating lease agreement are:

- There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Company.
- Some of the agreements provide for escalation in rent during the lease term.
- Under some of the agreements, refundable interest free deposits have been given.

During the year an amount of **Rs. 370.39 lakhs** was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (31March 2018 : Rs. 487.34 lakhs)

35 Research and development

Research expenses incurred during the year and debited to statement of profit and loss aggregating **Rs. 3,936.27 Lakhs** (31 March 2018 : Rs. 2,807.17 Lakhs). The details of research and development expenditure are as under:

Particulars	Note	31 March 2019	31 March 2018
A) Revenue expenditure			
i) Salary, wages and other benefits	28	686.42	535.42
ii) Research and development expenditure	29		
Chemicals and accessories		635.61	578.53
Analytical and Inspection		1,388.42	719.39

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

35 Research and development (Continued)

Particulars	Note	31 March 2019	31 March 2018
Clinical trial Charges		416.85	451.78
Repairs and maintenance		117.35	88.44
Patent expenses Foreign		73.30	67.69
Patent expenses Domestic		86.36	13.84
Rent		131.87	131.57
Electricity		90.67	68.80
Other expenses		309.42	151.71
		3,249.85	**2,271.75**
Total revenue expenditure (i+ii)		**3,936.27**	**2,807.17**
B) Capital expenditure			
Lab Equipments		107.75	62.61
Furniture and Fixtures		0.81	3.24
Total capital expenditure		**108.56**	**65.85**
Total research and development expenditure (A + B)		**4,044.83**	**2,873.02**

36 Earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit after tax	9,671.07	7,382.13
Net profit for calculation of EPS (A)	**9,671.07**	7,382.13
Weighted average number of equity shares for calculating		
Equity Shares	187.35	187.35
Convertible preference shares	20.03	20.03
Weighted average number of equity shares in calculating EPS (B)	**207.38**	**207.38**
Basic earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**46.63**	**35.60**
Diluted earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**46.63**	**35.60**

37 Segment Reporting

The Company has presented data relating to its segments based on its consolidated financial statements, Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in this standalone financial statement

38 Corporate Social Responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

a. The gross amount required during the year to be spent by the company was **Rs.141.18 Lakhs** (31 March 2018: Rs. 114.62 Lakhs)

b. Particulars of amount spent during the year on:

Particulars	In Cash	Yet to be paid	Total
I) Construction / Acquisition of assets	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	247.54	-	247.54
	(86.89)	(-)	(86.89)
Total for the Year ended 31 March 2019	**247.54**	-	**247.54**
Total for the Year ended 31 March 2018	(86.89)	(-)	(86.89)

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

Note: The Company has made a total commitment of Rs. 99.75 Lakhs to be spend pertaining to FY 2018-19 as on balance sheet date which has been spent subsequently before the date of signing of the balance sheet.

39 Dividend paid

Dividends on equity shares were declared and paid by the company during the year:

Particulars	Dividend Per Share (Rs)	Year ended 31 March 2019	Dividend Per Share (Rs)	Year ended 31 March 2018
Dividend on equity shares	2.50	468.38	1.38	257.61
Dividend on Convertible preference shares	2.50	50.07	1.38	27.54
Dividend distribution tax		106.57		58.05

40 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019

A. List of related parties and their relationship

Name of Related Party	% Shareholding and Voting Power		
	Principal place of business	As at 31 March 2019	As at 31 March 2018
a Subsidiaries			
BSV Bioscience GmbH	Germany	100%	100%
BSV Bioscience Inc	USA	100%	100%
BSV Bioscience Philippines Inc	Philippines	100%	100%
Eurolife Regen Pvt Ltd.	India	100%	100%

b Key Managerial Personnel ("KMP")	
Mr.Bharat V Daftary	Chairman and Managing Director
Dr.Gautam V Daftary	Vice Chairman and Managing Director
Mr.Siddharth B Daftary	Executive Director
Mr.Girish Bakre	Executive Director (upto 31 August 2018)
Mr. Sushil Gulati	Chief Operating Officer (from 06.06.2017 to 20.11.2017)
Mr. Roopesh Bhargava	Chief Operating Officer (from 01.11.2017)
Mr. Anil Madhusudan Damle	Chief Financial Officer
Mr. Charudatta Sambhaji Samant	Company Secretary
Mr. Shahzaad Siraj Dalal	Independent Director
Mr. Suketu Viren Shah	Independent Director
Mr. Suresh Lal Goklaney	Independent Director
Mr. Nitin Jagannath Deshmukh	Independent Director
Mr. Ajeet Singh Karan	Independent Director
Mr. Nafeesa Adil Moloobhoy	Independent Director
Mr. Sunny Sharma	Independent Director

c	**Relatives of Key Mnanagerial Personnel ("KMP") with whom transactions have taken place during the year**	
	Mrs.Anjali Bakre	Wife of Mr.Girish Bakre (upto 31 August 2018)
	Mr. Akshay G Daftary	Son of Dr. Gautam V Daftary
	Mr. Karan G Daftary	Son of Dr. Gautam V Daftary

d	**Entities over which Key Management Personnel and their relatives have significant influence or control and with whom transactions have taken place during the year ("Entities")**
	SIRO Clinpharm Private Limited
	Advy Chemicals Private Limited
	Aksigen Hospital Care
	Advy Co. Japan Limited

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

40 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019 *(Continued)*

Details of Transactions with Related Parties

Sr No	Particulars	Years ended 31 March 2018				
		Subsidiaries	KMP	Relatives of KMP	Entities	Total
		a	b	c	d	
1	Purchase of services	502.88	-	-	32.13	535.01
		(437.75)	-	-	(216.09)	(653.84)
2	Reimbursement of expenses	34.40	-	-	-	34.40
		(3.17)	-	-	(5.84)	(9.01)
3	Recovery of expenses	-	-	-	32.74	32.74
		(114.71)	-	-	(1.28)	(115.99)
4	Interest accrued	131.81	-	-	-	131.81
		(97.49)	-	-	-	(97.49)
5	Remuneration *	-	745.88	-	-	745.88
		-	(667.98)	-	-	(667.98)
6	Sitting Fees to Non Executive Directors	-	10.89	-	-	10.89
		-	(14.89)	-	-	(14.89)
7	Advance given	332.32	-	-	3.70	336.02
		(6.31)	-	-	-	(6.31)
8	Purchase of goods	5,601.87	-	-	9.74	5,611.61
		(5,237.78)	-	-	(25.72)	(5,263.50)
9	Sale of goods	2,142.56	-	-	30.54	2,173.10
		(2,959.82)	-	-	(130.28)	(3,090.10)
10	Sale of services	-	-	-	-	-
		-	-	-	(1.38)	(1.38)
11	Professional fees expenses	-	-	-	126.94	126.94
		-	-	-	(0.50)	(0.50)
12	Purchase of fixed assets	-	-	-	-	-
		(1.30)	-	-	-	(1.30)
13	Sale of fixed assets	-	-	-	-	-
		(9.06)	-	-	-	(9.06)
14	Loan given	727.38	-	-	-	727.38
		(638.30)	-	-	-	(638.30)
15	Repayment of loan Given	-	-	-	-	-
		(638.30)	-	-	-	(638.30)
16	Corporate Guarantee Fee Income	11.22	-	-	-	11.22
		(27.67)	-	-	-	(27.67)
17	Salary paid	-	-		-	-
		-	-	(43.72)	-	(43.72)

***Key management personnel Remuneration**

Key management personnel remuneration comprised the following:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remuneration	690.29	636.32
Post-employment benefits	44.70	16.77
Sitting fees to independent director	10.89	14.89
	745.88	**667.98**

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

40 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019 *(Continued)*

A. Significant related party transaction

Sr No	Transaction	Related Party Transaction	Year ended 31 March 2019	Year ended 31 March 2018
1	**Purchase of services**			
	BSV Bioscience Inc	Subisdiary	502.88	437.75
	Advy Chemicals Private Limited	Entities	32.13	-
	SIRO Clinpharm Private Limited	Entities	-	185.62
2	**Purchase of goods**			
	BSV Bioscience GMBH	Subisdiary	5,601.87	5,23.78
	Advy Chemicals Private Limited	Entities	9.74	23.58
3	**Sale of goods**			
	BSV Bioscience philippines Inc	Subisdiary	2,142.56	2,959.82
	Aksigen Hospital Care	Entities	-	130.28
	Advy Chemicals Private Limited	Entities	30.54	-
4	**Professional fees expenses**			
	SIRO Clinpharm Private Limited	Entities	126.94	-

Balance due from / to related party

Sr No	Particulars	As at 31 March 2019				
		Subsidiaries	Key Management personnel	Relatives of Key Management personnel	Entities	Total
1	Outstanding Receivables/ Advance	703.37	-	-	21.03	**724.40**
2	Outstanding Payables	107.88	-	-	2.81	**110.69**
3	Investments	1,543.96	-	-	-	**1,543.96**
4	Loan receivable	2,049.03	-	-	-	**2,049.03**
5	Loan payable	-	106.78	-	-	**106.78**
6	Interest Accrued on Loan	360.89	-	-	-	**360.89**

Sr No	Particulars	As at 31 March 2018				
		Subsidiaries	Key Management personnel	Relatives of Key Management personnel	Entities	Total
1	Outstanding Receivables/ Advance	3,194.94	-	-	94.36	**3,289.30**
2	Outstanding Payables	528.81	-	-	7.11	**535.92**
3	Investments	1,543.96	-	-	-	**1,543.96**
4	Loan receivable	1,373.81	-	-	-	**1,373.81**
5	Loan payable	-	106.78	-	-	**106.78**
6	Interest Accrued on Loan	238.24	-	-	-	**238.24**

40.1 Disclosure under section 186 of the Companies Act, 2013

(a) The details of loan under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Name of the entity / parties	As at 31 March 2019	As at 31 March 2018
BSV Bioscience GMBH	1,315.99	1,373.81
BSV Bioscience philippines Inc	733.04	-
Total	**2,049.03**	**1,373.81**

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

40 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019 *(Continued)*

Note

Purpose of utilisation of above loan	Working capital	
Loan repayment terms	Repayable on demand	
Rate of interest	6.8601%	2018-19
	7.0966%	2017-18

(b) Details of investments made under section 186 of the Act are given in Note 8 "Investments".

(c) Guarantees outstanding

Details	As at 31 March 2019	As at 31 March 2018
Corporate guarantee given in respect of credit facility sanctioned by bank in favour of subsidiary company aggregating to Euro 1.50 million and USD 1.56 million (31 March 2018 Euro 1.45 million and USD 1.56 million)	2,185.65	2,188.44
Stand by letter of credit given on behalf of subsidiary (Euro 0.63 million)	493.22	513.13

41 Financial instruments – Fair values and risk management

A Accounting classification and fair value

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments
Level 1: Observable prices in active markets for identical assets and liabilities;
Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;
Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities
The carrying amounts and fair values of financial instruments by catergory are as follows:

a. Financial assets

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2019							
Non Current - Loans	-	-	2,962.05	2,962.05	-	-	-
Current - Loans	-	-	1,373.35	1,373.35	-	-	-
Trade receivables	-	-	14,876.02	14,876.02	-	-	-
Cash and cash equivalents	-	-	1,511.53	1,511.53	-	-	-
Other Bank Balances	-	-	381.66	381.66	-	-	-
Other non-current financial assets	-	-	118.98	118.98	-	-	-
Other current financial assets	-	-	388.99	388.99	-	-	-
Total	-	-	**21,612.58**	**21,612.58**	-	-	-
As at 31 March, 2018							
Non Current - Loans	-	-	1,887.13	1,887.13	-	-	-
Current - Loans	-	-	1,324.45	1,324.45	-	-	-
Trade receivables	-	-	15,099.48	15,099.48	-	-	-
Cash and cash equivalents	-	-	415.05	415.05	-	-	-
Other Bank Balances	-	-	209.84	209.84	-	-	-
Other non-current financial assets	-	-	156.91	156.91	-	-	-
Other current financial assets	-	-	316.09	316.09	-	-	-
Total	-	-	**19,408.95**	**19,408.95**	-	-	-

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management *(Continued)*

b. Financial liabilities

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2019							
Non Current Borrowings (including current maturity of long term debts)	-	-	3,049.47	3,049.47	- -	- -	- -
Current Borrowings	-	-	544.95	544.95	-	-	-
Trade payables	-	-	5,965.33	5,965.33	-	-	-
Other current financial liabilities	-	-	3,192.69	3,192.69	-	-	-
Total	-	-	**12,752.44**	**12,752.44**	-	-	-

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2018							
Non Current Borrowings (including current maturity of long term debts)	-	-	4,685.03	4,685.03	- -	-	- -
Current Borrowings	-	-	7,796.43	7,796.43	-	-	-
Trade payables	-	-	5,565.94	5,565.94	-	-	-
Other current financial liabilities	26.75	-	4,022.74	4,049.49	-	26.75	-
Total	**26.75**	-	**22,070.14**	**22,096.89**	-	**26.75**	-

B Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.
The following methods and assumptions were used to estimate the fair value
a) The fair value of the financial instrument is determined using mark to market which is based on management estimates.

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

I) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management *(Continued)*
The Company has exposure to the following risks arising from financial instruments: (Continued)

ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activites (primarily trade receivables) and from its financing/investing activities, including investments in deposits with banks. The Company has no significant concentration of credit risk with any counter party.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade Receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at March 31, 2019 and 2018, respectively. There is no significant concentration of credit risk.

At 31 March 2019, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	31 March 2019	31 March 2018
India	8,808.79	8,579.26
Philippines	598.95	3,160.12
Export	5,468.28	3,360.10
	14,876.02	**15,099.48**

The Company's exposure to credit risk for trade receivables by type of counter party is as follows:

Particulars	31 March 2019	31 March 2018
Stockists	4,227.79	3,108.84
Institution	4,581.00	5,470.42
Exports	5,468.28	3,360.10
Subsidiary	598.95	3,160.12
	14,876.02	**15,099.48**

Impairment

As per simplified approach the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever. At 31 March 2019, the ageing of trade receivables that were not impaired was as follows.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

ii) Credit Risk *(Continued)*

Particulars	31 March 2019	31 March 2018
Not past due	10,463.63	11,520.25
Past due 1–180 days	3,320.61	2,680.73
Past due more than 180 days	1,091.78	898.50
	14,876.02	**15,099.48**

Expected credit loss (ECL) assessment for Trade Receivables as at 31 March 2019

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of loss and are aligned to external credit rating definitions.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an expected credit loss rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	250.00	-
Impairment loss recognised	240.00	250.00
Amounts written off	-	-
Balance as at the end of the year	**490.00**	**250.00**

Loans to subsidiaries

The Company has an exposure of Rs. 2,049.03 Lakhs as 31 March 2019 (Rs 1,373.81 Lakhs : 31 March 2018) . Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March 2019 or 31 March 2018. The Company has no collateral in respect of these loans.

Investments, Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

The Company has investment in subsidiaries Rs 1543.96 Lakhs as on 31 March 2019 (Rs 1543.96 Lakhs : 31 March 2018).

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The majority of the Company's trade receivables are due for

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

iii) Liquidity Risk *(Continued)*

maturity within 21 days for stockiest and 30 days for institution and case to case basis for exports from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 30-45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated if any, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31-Mar-19		Contractual Cash Flows			
	Carrying Amount	Total	Less Than 1 year	1-5 year	More Than 5 year
Non-derivative financial liabilities					
Current borrowings	544.95	544.95	544.95	-	-
Non Current borrowings	3,049.47	3,049.47	1,426.34	1,623.13	-
Trade payables	5,965.33	5,965.33	5,965.33	-	-
Other financial liabilities current	3,192.69	3,192.69	3,192.69	-	-
	12,752.44	**12,752.44**	**11,129.31**	**1,623.13**	-

The derivative financial liabilities disclosed in above table represent contractual undiscounted cash flows relating to derivative instrument held for risk management purposes and which are not usually closed out before contractual maturity.

31-Mar-18		Contractual Cash Flows			
	Carrying Amount	Total	Less Than 1 year	1-5 year	More Than 5 year
Non-derivative financial liabilities					
Current borrowings	7,796.43	7,796.43	7,796.43	-	-
Non Current borrowings	4,685.03	4,685.03	4,685.03	2,858.25	-
Trade payables	5,565.94	5,565.94	5,565.94	-	-
Other financial liabilities current	4,022.74	4,022.74	4,022.74	-	-
Derivative financial liabilities					
Forward Contract Foreign Exchange (net)	26.75	26.75	26.75	-	-
	22,096.89	**22,096.89**	**22,096.89**	**2,858.25**	-

The derivative financial liabilities disclosed in above table represent contractual undiscounted cash flows relating to derivative instrument held for risk management purposes and which are not usually closed out before contractual maturity.

iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

The Company as a policy doesn't enter into any derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Rupee and foreign currencies has kept constant in the last year and as per company may be stable in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), and British Pound (GBP) etc..

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

iv) Market Risk (Continued)

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain foreign currency working capital loan. Forward exchange contracts (being derivative instruments), which are not ntended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain receivables and payables. The forward exchange contracts entered into the Company and outstanding are as follows:

Currency	No. of contracts	Type	US $ (Im Lakhs)	INR equivalent
31 March 2019	-	Buy	-	-
	-	Sell	-	-
31 March 2018	4	Buy	10.23	666.48
	1	Sell	2.88	187.70

Currency Risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to USD, EURO, GBP, SGD, CHF and AUD. The Company has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 in there respective currencies are as below:

Particulars	31 March 2019		31 March 2018	
	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)
Financial assets **Non current loans**				
EURO	17.00	1,315.99	17.00	1,373.81
USD	10.60	733.04	-	-
Non current Deposit				
USD	4.06	280.86	-	-
Trade receivables (Net of Advances)				
USD	74.70	5,166.00	90.42	5,773.36
EURO	10.85	842.69	6.52	527.23
Cash and Cash Equivalents				
USD	0.90	62.28	1.57	102.18
EURO	0.13	10.17	0.27	21.64
Other current assets				
GBP	-	-	2.47	228.33
EURO	6.10	473.92	9.90	799.68
USD	3.74	260.96	25.63	1,620.46
CHF	0.02	1.67	-	-
SGD	0.03	1.53	-	-

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

iv) Market Risk (Continued)

Particulars	31 March 2019		31 March 2018	
	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)
Financial liabilities				
Long term borrowings				
USD	28.21	1,950.87	104.34	6,769.71
Short term borrowings				
EURO	5.64	438.17	5.66	457.04
Trade and other payables				
EURO	5.31	412.77	4.65	376.09
USD	6.91	477.27	40.48	2,638.53
GBP	0.17	15.72	2.63	242.37
Other current liabilities				
USD	2.90	200.56	0.14	9.28
Net foreign currency exposure as at 31 March				
EURO	23.13	1,791.83	23.38	1,889.23
GBP	(0.17)	(15.72)	(0.16)	(14.04)
USD	55.98	3,874.44	(27.34)	(1,921.52)
CHF	0.02	1.67	-	-
SGD	0.03	1.53	-	-
	78.99	5,653.75	(4.12)	(46.33)

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	Year end spot rate	
	31-Mar-19	31-Mar-18
EURO	77.67	80.81
GBP	90.53	92.28
USD	69.16	65.18
CAD	51.54	50.65
CHF	69.43	68.50
SGD	51.04	49.82

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Profit & (loss) before tax	31-Mar-19		31-Mar-18	
	Strengthening	Weakening	Strengthening	Weakening
EURO	179.66	(179.66)	188.93	(188.93)
GBP	(1.54)	1.54	(1.48)	1.48
USD	387.13	(387.13)	(178.20)	178.20
CAD	-	-	-	-
CHF	0.14	(0.14)	-	-
SGD	0.15	(0.15)	-	-

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31-Mar-19	31-Mar-18
Fixed-rate instruments		
Financial assets	3,065.01	2,429.72
Financial liabilities	919.64	1,101.16
Variable-rate instruments		
Financial liabilities	2,360.03	11,273.52

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit/(loss) - Increase /(Decrease) in profit	
	31-Mar-19	31-Mar-18
Interest rates – increase by 100 basis points	(23.60)	(112.74)
Interest rates – decrease by 100 basis points	23.60	112.74

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

V) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Financial instruments – Fair values and risk management (Continued)

V) Capital Management (Continued)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Total Borrowings (Including current portion of Long term debts)	3,594.42	12,481.46
Less : Cash and cash equivalent	1,893.19	624.89
Net debt	1,701.23	11,856.57
Total equity	48,864.94	38,978.80
Net debt to equity ratio	0.03	0.30

42 Merger of Kasiak Research Pvt Ltd.

In Previous Year, the National Company Law Tribunal ("NCLT"), Mumbai bench vide its Order dated 04 September 2018 has approved the Scheme of Merger of Kasiak Research Pvt Ltd ("Kasiak") with the Company. The Scheme was approved by the Board of Directors on 28 March 2018 with an appointed date of 1 April 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies, Maharashtra, the Scheme became effective in the year ended March 31, 2018.

Since both the entities are controlled by the same group of individuals acting together under a contractual arrangement, the same is treated as a common control business combination. Accordingly, the merger has been accounted using the 'pooling of Interest' method (in accordance with the approved Scheme). Pursuant to the Scheme, the unabsorbed tax losses of Kasiak are available to the Company, and accordingly, the same has been recognized in the year ended 31 March2018.

As per the terms of the Scheme of Amalgamation, purchase consideration has been determined at Rs 2,884.77 lakhs. Out of which Rs.1,891.06 Lakhs was paid in cash during year ended 31 March 2018 and balance of Rs.993.71 lakhs was settled in current year through issue of 1,04,221 Equity Shares of INR. 5 each and 1,97,69,917 Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of INR. 5/- each of the Company. The difference between purchase consideration and net asset on effective date of Rs 2554.81 lakhs have been debited to capital reserve during the previous year.

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Authorised				
0.01% Non-Convertible Non-Cumulative Redeemable	19,800,000	990.00	-	-
Preference Shares of Rs. 5/- each ('NCNCRPS')				
Issued, subscribed and fully paid up				
0.01% Non-Convertible Non-Cumulative Redeemable	19,769,917	988.50	-	-
Preference Shares of Rs. 5/- each ('NCNCRPS')				

Details of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) issued:

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Reconciliation of the number of preference shares				
outstanding at the beginning and at the end of the period:			-	-
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS') At the beginning of the period Add: Fresh issue of preference shares	19,769,917	988.50		
At the end of the period	**19,769,917**	**988.50**	-	-

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

42 Merger of Kasiak Research Pvt Ltd. (Continued)

C) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31March 19		As at 31 March 18	
	No of shares	%holding in the	No of shares	%holding in the
NCNCRPS of Rs.5 each fully paid				
Gautam V. Daftary	7,476,565	37.82%	-	-
Bharat V. Daftary	7,477,512	37.82%	-	-
Anand Daftary	4,815,840	24.36%	-	-
	19,769,917	**100.00%**	-	-

D) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS') were issued by company on 28 March 2019 (Redeemable at par on 27 March 2038). Following are the details:

Name of the shareholder	As at 31March 19	As at 31 March 18
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS')		
Classified in following two categories		
Equity component of compound financial instrument	780.53	-
Liability component of compound financial instrument	207.97	-
	988.50	-

43 Recent accounting pronouncements

On March 30, 2019 Ministry of Corporate Affairs ("MCA") has notified the following new and amendments to Ind Ass which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019:

Ind AS 116 Leases

On March 30, 2019, the ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretation. The standard sets out the principle for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e, the lessee and the lessor . Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize the assets and liabilities for all the leases for both the parties to a contract i.e, the lessee and the lessor Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize the assets and liabilities for all the leases with the term of more than twelve months , unless the underlying asset is of low value . Currently operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

The effective date for the adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments , discounted at the incremental borrowing rate and the right of use of asset either as :

- Its carrying amount as if the standard has been applied since the commencement date, but discounted at the date , but discounted at the lessee's incremental borrowing rate at the date of initial application, or

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

43 Recent accounting pronouncements (Continued)

- An amount equal to the lease liability , adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods. Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, the ministry of corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses , unused tax credits and tax rates , when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determined the probability of the relevant tax authority accepting each tax treatment, or group of tax treatment, that the companies have used or plan to use in their income tax filling which has to be considered to compute the most likely amount or expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The Standard Permits two possible methods of transition:

- Full Retrospective Approach- Under this approach, Appendix C will be applied retrospectively to each prior Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect on initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives .

Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Amendment to Ind AS 12, Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution tax.

The amendments clarifies that an equity shall recognize the income tax consequences of dividends in Profit or Loss, other comprehensive income or equity according to where the entity originally recognize those past transactions or events.
Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Amendment to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailment and settlement:

The amendment requires an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment and settlement ; and
- To recognize in profit or loss as part of past service cost, or a gain or a loss on settlement, any reduction in a surplus even if that surplus was not previously recognize because of the impact of the asset ceiling .

Effective date for application of this amendment is annual period beginning on or after April 1 , 2019. The Company does not have any impact on account of this amendment.

Notes to the standalone IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

44 Government Grants

The Company had received government grant which was capitalised in 2014-15 amounted to Rs 637.97 Lakhs with respect to Amphomul project. This grant, recognized as deferred income, is being amortized over the useful life of the Intangible assets in proportion in which the related depreciation expense is recognised.

45 The financial statements of the Company for the year ended March 31, 2018 were audited by B S R & Co. LLP, Chartered Accountants, the predecessor auditor.

46 Previous year's figures have been regrouped wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Place: Mumbai
Date: 30th July 2019

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BSV Biosciences, Inc.

Financial statements
March 31, 2019 and March 31, 2018

KNAV P.A.
Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE
Atlanta, GA 30328

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Independent auditor's report

Board of Directors,
BSV Biosciences, Inc.

We have audited the accompanying balance sheets of BSV Biosciences, Inc. ('the Company') as at March 31, 2019 and March 31, 2018 and the related statements of income, changes in stockholder's equity, the cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2019 and March 31, 2018 and the result of its operations, stockholder's equity and the cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States of America.

Atlanta, Georgia
July 3, 2019

BSV Biosciences, Inc.
Financial statements
March 31, 2019 and March 31, 2018

Financial statements

BSV Biosciences, Inc.
Financial statements
March 31, 2019 and March 31, 2018

Balance sheets

(All amounts are stated in United States Dollars unless otherwise stated)	As at March 31, 2019	March 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	1,184	42,629
Accounts receivable, from related parties	182,981	-
Total current assets	**184,165**	**42,629**
Total assets	**184,165**	**42,629**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	68,840	117
Other current liabilities	25,949	20,674
Total current liabilities	**94,789**	**20,791**
Total liabilities	**94,789**	**20,791**
Stockholder's equity		
Common stock, authorized, 2,000,000 common shares, $ 1 par value; issued and outstanding, 1,000,000 common shares, $ 1 par value	1,000,000	1,000,000
Accumulated deficit	(910,624)	(978,162)
Total stockholder's equity	**89,376**	**21,838**
Total liabilities and stockholder's equity	**184,165**	**42,629**

(The accompanying notes are an integral part of these financial statements)

BSV Biosciences, Inc.
Financial statements
March 31, 2019 and March 31, 2018

Statements of income

(All amounts are stated in United States Dollars unless otherwise stated)

	For the year ended	
	March 31, 2019	**March 31, 2018**
Operating revenue	**764,569**	**765,024**
Selling, general and administrative expenses	692,060	658,340
Depreciation and amortization	-	292
Research and development expenses	4,171	23,122
Total costs and expenses	**696,231**	**681,754**
Income before taxes	**68,338**	**83,270**
Current tax expense	800	1,600
Net income	**67,538**	**81,670**

(The accompanying notes are an integral part of these financial statements)

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

Statements of stockholder's equity

For the year ended March 31, 2019 and March 31, 2018
(All amounts are stated in United States Dollars except number of shares)

	Common stock					
	Authorized		Issued & outstanding			Total
Particulars	**Shares**	**Value in US$**	**Shares**	**Value in US$**	**Accumulated deficit**	**stockholder's equity (deficit)**
Balance as on April 1, 2017	**2,000,000**	**2,000,000**	**1,000,000**	**1,000,000**	**(1,059,832)**	**(59,832)**
Net income	-	-	-	-	81,670	81,670
Balance as at March 31, 2018	**2,000,000**	**2,000,000**	**1,000,000**	**1,000,000**	**(978,162)**	**21,838**
Balance as on April 1, 2018	**2,000,000**	**2,000,000**	**1,000,000**	**1,000,000**	**(978,162)**	**21,838**
Net income	-	-	-	-	67,538	67,538
Balance as at March 31, 2019	**2,000,000**	**2,000,000**	**1,000,000**	**1,000,000**	**(910,624)**	**89,376**

(The accompanying notes are an integral part of these financial statements)

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

Statements of cash flows

(All amounts are stated in United States Dollars unless otherwise stated)

	For the year ended	
	March 31, 2018	**March 31, 2017**
Cash flow from operating activities		
Net income	67,538	81,670
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	-	292
Changes in operating assets and liabilities		
Accounts receivable, from related parties	(182,981)	1,569
Other current liabilities	5,275	(14,199)
Accounts payable	68,723	(34,935)
Net cash (used in) provided by operating activities	**(41,445)**	**34,397**
Net (decrease) increase in cash and cash equivalents	**(41,445)**	**34,397**
Cash and cash equivalents at the beginning of the year	42,629	8,232
Cash and cash equivalents at the end of the year	**1,184**	**42,629**
Supplemental cash flow information		
Income taxes paid	800	800

(The accompanying notes are an integral part of these financial statements)

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

Notes to financial statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. *Business*

   BSV Biosciences, Inc. ("the Company") is a wholly owned subsidiary of Bharat Serums & Vaccines Ltd. ("Parent"), an India company. The Company was incorporated on March 23, 2005 and commenced operations in April 2005. The Company provides biomedical research and consulting services to its Parent company and the affiliate company Advy Chemicals Limited.

2. *Basis of preparation*

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.

   b. The financial statements are for the years ended March 31, 2019 and March 31, 2018.

   c. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior years to conform to the classifications used in the current year. This has no impact on the statement of income.

3. *Estimates and assumptions*

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets, determination of useful lives for property, plant and equipment, allowance for doubtful debts and estimation relating to unsettled transactions and events at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

4. *Cash and cash equivalents*

   The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents.

5. *Computer equipment*

   Computer equipment is stated at cost less accumulated depreciation. Acquisitions of computer equipment are recorded at cost.

   The estimated useful life of computer equipment is 3 years.

BSV Biosciences, Inc.
Financial Statements
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6. *Allowance for doubtful accounts*

The Company follows specific identification method for recognizing bad debts. Management analyzes accounts receivable and the composition of the accounts receivable aging, historical bad debts, current economic trends and customer credit worthiness when evaluating the adequacy of the provision for doubtful accounts. Allowance for doubtful accounts is included in marketing and selling expenses in the statements of income. The Company charges off uncollectable amounts against the reserve in the period in which it determines they are uncollectable.

7. *Revenue recognition*

The Company's only source of revenue is from the Parent company or affiliate company. Under a service agreement that commenced September 1, 2005, the Parent agreed to reimburse the Company each month for its operating expenses plus a mark-upon the costs. In accordance with the agreement, the Company recognizes the reimbursement revenue when invoiced to the Parent each month, as the services are rendered.

8. *Income taxes*

In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

The Company recognizes liabilities for uncertain tax positions based on a twostep process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

9. *Fair value of financial istruments*

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

10. *Concentration of credit rik*

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash and accounts receivable. The Company's cash is on deposit in a checking account with a high-quality financial institution. The Company has not experienced any losses and does not believe it is exposed to any significant credit risk.

The Company's accounts receivable as at March 31, 2019 comprised of dues from the parent or one of the parent's wholly owned subsidiaries and as at March 31, 2018 the accounts receivable were NIL.

The above-mentioned customers comprised of 100% of total revenue for the year ended March 31, 2019 and March 31, 2018.

11. *Commitment and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2019	**March 31, 2018**
Cash at bank	984	42,429
Cash in hand	200	200
Total	**1,184**	**42,629**

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of $ 250,000 (previous year - $ 250,000). As at March 31, 2019 and 2018, the Company had no cash at risk.

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

NOTE C – ACCOUNTS RECEIVABLE, FROM RELATED PARTIES

Accounts receivable, from related parties include the following:

	As at	
	March 31, 2019	**March 31, 2018**
Receivables from related party	182,981	-
Accounts receivables	**182,981**	**-**

The allowance for doubtful accounts was $ Nil at March 31, 2019 and 2018.

NOTE D –COMPUTER EQUIPMENT, NET

Property, plant and equipment include the following:

	As at	
	March 31, 2019	**March 31, 2018**
Computers equipment	2,936	2,936
Less: Accumulated depreciation	(2,936)	(2,936)
Computers equipment, net	-	-

Depreciation for the year ended March 31, 2019 was $ Nil (March 31, 2018: $ 292).

NOTE E – OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As at	
	March 31, 2019	**March 31, 2018**
Accrued vacation	25,149	19,874
Provision for income tax	800	800
Total	**25,949**	**20,674**

NOTE F – INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended	
	March 31, 2019	**March 31, 2018**
Current taxes		
State	800	1,600
Total provision for taxes	**800**	**1,600**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

	As at	
	March 31, 2019	**March 31, 2018**
Deferred tax assets		
Computer equipment	47	142
Accrued vacation pay	7,038	-
Net operating losses	171,433	191,114
Total deferred tax asset	**178,518**	**191,256**
Total deferred taxes	178,518	191,256
Less: valuation allowance	(178,518)	(191,256)
Net deferred taxes	**-**	**-**

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The Company has provided a valuation allowance of $ 178,518 and $ 191,256 as at March 31, 2019 and March 31, 2018 against the net deferred tax assets. The change in valuation allowance is $ 12,738 during the year ended March 31, 2019.

The Company has net operating loss carry forwards of $ 798,128 as of March 31, 2019 available to reduce future federal income taxes. If not used, the carry forwards will begin to expire in 2028. The Company has carried forward losses totaling $ 784,500 which are available to reduce future state income taxes. If not used, the carry forwards will begin to expire from 2018.

Accounting for uncertain tax position

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows.

The tax years 2015 to 2017 remain subject to examination by the taxing authorities.

NOTE G – RELATED PARTY TRANSACTIONS

(1) The Company has entered into transactions with the following related parties –
   a. Bharat Serums and Vaccines Limited (Parent)
   b. Advy Chemicals Limited (affiliate company)

The total operating revenue from the Parent amounted to $ 696,807 for the year ended March 31, 2019 and $ 670,000 for the year ended March 31, 2018. The Company had a receivable outstanding from the Parent amounting to $ 143,127 as on March 31, 2019 and $ Nil as on March 31, 2018

The total operating revenue from the affiliate company amounted to $ 67,762 for the year ended March 31, 2019 and $ 95,024 for the year ended March 31, 2018. The Company had a receivable outstanding from the affiliate company amounting to $ 39,854 as on March 31, 2019 and $ Nil as on March 31, 2018.

BSV Biosciences, Inc.
Financial Statements
March 31, 2019 and March 31, 2018

NOTE H - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of March 31, 2019 and 2018, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and trade receivables.

NOTE I – STOCKHOLDER'S EQUITY

Common stock issued
Common stock issued as at March 31, 2019 was 1,000,000 shares of $ 1 par each (March 31, 2018: 1,000,000 shares of $ 1 par each).

Voting
Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE J – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2019 through July 3, 2019 the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

KPMG

Annual Financial Statements as at 31 March 2019

AUDIT REPORT

BSV Bioscience GmbH
Baesweiler

KPMG AG Wirtschaftsprüfungsgesellschaft

The English language text below (Appendices 1.1 to 1.2 and Section 2) is a translation provided for information purposes only. The original German text (Appendices 2.1 to 2.3 and 3) shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

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To BSV Bioscience GmbH, Baesweiler

1 Audit Engagement

The management

of **BSV Bioscience GmbH**, headquartered in **Baesweiler,**
– hereinafter also referred to as 'BSV' or 'Company' –

has engaged us to audit the financial statements for the year ended 31 March 2019, together with the accounting records.

The terms governing this engagement are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017, which are attached to this report as Appendix 4. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

2 Reproduction of the Independent Auditor's Report (Translation)

Based on the results of our audit, we have issued the following unqualified audit opinion:

"

Independent Auditor's Report (Translation)

To BSV Bioscience GmbH, Baesweiler

Opinion

We have audited the annual financial statements of BSV Bioscience GmbH, Baesweiler, which comprise the balance sheet as at 31 March 2019, and the Income Statement for the period from 1 April 2018 to 31 March 2019, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2019 and of its financial performance for the financial year from 1 April 2018 to 31 March 2019, in accordance with German Legally Required Accounting Principles.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Opinion

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 14 June 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

[*signature*] Hemker Wirtschaftsprüfer [German Public Auditor]	[*signature*] Stelzer Wirtschaftsprüfer [German Public Auditor]

3 Performance of the Audit

3.1 Scope of the Audit

We have audited the annual financial statements – comprising the balance sheet as at 31 March 2019, the Income Statement for the period from 1 April 2018 to 31 March 2019 as well as the Notes to the Financial Statements – including the accounting records of BSV Bioscience GmbH for the annual financial year ended 31 March 2019.

Our responsibility is to express an opinion on the annual financial statements based on our audit.

An audit only covers compliance with other regulations to the extent that these other regulations can be expected to have an impact on the annual financial statements.

Pursuant to Section 317 (4a) HGB, an audit is not intended to extend to whether the Company's ability to continue as a going concern or the effectiveness and efficiency of management can be assured.

The Company meets the criteria of a small corporation as defined by Section 267 (1) HGB. It made use of the reporting relief under Section 264 (1) sentence 4 HGB and therefore did not prepare a management report.

3.2 Nature and scope of audit procedures

The general principles of our audit approach are already presented in the Independent auditor's Report (see Section 2 of this report). In addition, we provide the following information on our audit approach and audit performance:

We planned and based our audit on an understanding of our client's business and an assessment of company-specific risks as well as accounting-related processes and controls of the Company. We assessed their impact on the annual financial statements by taking account of the principle of materiality and, as a result, established the following audit focus areas:

- Audit of the process of preparing the financial statements
- Valuation and existence of inventories
- Existence and measurement of trade accounts receivable
- Accuracy of sales cut-off

The extent of the Company's internal control system reflects the small number and low complexity of its business transactions. We obtained sufficient knowledge of the processing of business transactions and management's handling of business risks.

Our audit procedures mainly consisted of tests of details on a sample basis and analytical reviews of items in the financial statements. Our tests of details included requesting confirmations of balances from customers (representative sample) and suppliers (specified sample). We also requested confirmations from the Company's lawyers and credit institutions.

We concluded our audit with an overall evaluation of the audit results as well as the annual financial statements. This overall evaluation was then used for issuing our opinion in the Independent Auditor's Report. Together with the audit report, the Independent Auditor's Report is part of our reporting on the audit performed.

We performed our audit including a preliminary audit in the period of May and June 2019 until 14 June 2019.

All explanations and evidence requested by us were provided. The management confirmed in writing that the accounting records and the annual financial statements are complete.

4 Findings on accounting and financial reporting

4.1 Accounting records and related documents

The Company's accounting records have been properly kept and maintained. The accounting records and related documents are properly authorised, sufficiently explained and filed in an orderly manner. Based on our findings, the accounting records and related documents comply with German legal requirements.

Based on our audit, we found that the measures taken by the Company are appropriate to ensure the security of processed accounting-related data.

4.2 Annual financial statements

The annual financial statements as at 31 March 2019, presented to us for audit, were properly derived from the Company's accounting records and related documents. The opening balance sheet figures were properly carried forward from prior year's annual financial statements. The German legal recognition, presentation and measurement requirements have been observed, in all material respects.

The balance sheet and income statement have been prepared, in all material respects, in accordance with the provisions of German commercial law applicable to business corporations, including the German Legally Required Accounting Principles. The notes to the financial statements include all legally required information.

The disclosure reliefs based on size provided by Sections 274a, 276 and 288 HGG have been correctly (and partially) applied.

5 Opinion on the Overall Presentation of the annual financial statements

5.1 Comments on overall presentation

The accounting policies applied to the annual financial statement items, in all material respects, comply with the requirements of German commercial law applicable to corporations. These are described in the notes to the financial statements (see Appendix 2.3 Section II.).

The exercise of accounting and valuation options as well as accounting judgements with regard to the following annual financial statement items has a material effect on the Company's assets, liabilities, financial position and financial performance:

Sales prices to affiliated companies

The Company generates approximately 42% of its net sales with the shareholder Bharat Serums and Vaccines Limited, Mumbai/India. Within the financial year ended 31 March 2019 the transfer prices for sales to the shareholder Bharat Serums and Vaccines Limited, Mumbai/India, have been adjusted. The effective date of the adjustment was 1 April 2018. Overall, the transfer prices should ensure appropriate sales prices for the Company.

5.2 Conclusion on the overall presentation of the annual financial statements

Based on an overall consideration of the accounting policies described above, we are of the opinion that the annual financial statements give a true and fair view of the assets, liabilities and financial position of the Company and of its financial performance in accordance with German Legally Required Accounting Principles.

6 Concluding remarks

This audit report has been prepared in accordance with the principles of Auditing Standard 450 (as amended), promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

We hereby confirm pursuant to Section 321 (4a) HGB that we have conducted our audit in accordance with the applicable independence regulations.

The Independent Auditor's Report is presented in Section 2. The original Independent Auditor's Report is presented as Appendix 3.

Düsseldorf, 14 June 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

Hemker
Wirtschaftsprüfer
[German Public Auditor]

Stelzer
Wirtschaftsprüfer
[German Public Auditor]

Appendices

Appendix 1
Annual Financial Statements as of 31 March 2019

1.1 Balance Sheet

1.2 Income Statement

BSV Bioscience GmbH, Baesweiler

Balance Sheet as at 31 March 2019

Assets

	31/3/2019 EUR	31/3/2018 EUR
A. Fixed Assets		
I. Intangible Assets	127,553.87	85,097.71
II. Property, plant and equipment	3,263,485.63	3,414,183.42
	3,391,039.50	**3,499,281.13**
B. Current Assets		
I. Inventories	2,730,829.10	1,625,335.74
II. Receivables and other assets	2,226,023.88	1,500,316.65
III. Cash and cash equivalents	570,789.41	523,291.31
	5,527,642.39	**3,648,943.70**
C. Prepayments	**74,705.30**	**71,813.93**
	8,993,387.19	**7,220,038.76**

Equity and liabilities

	31/3/2019 EUR	31/3/2018 EUR
A. Equity		
I. Subscribed capital	1,025,000.00	1,025,000.00
II. Capital reserve	1,700,000.00	1,700,000.00
III. Loss carried forward	-238,451.61	-911,146.84
IV. Net income for the year	1,096,235.55	672,695.23
	3,582,783.94	**2,486,548.39**
B. Provisions	**215,753.84**	**193,815.57**
C. Liabilities – thereof due to taxes EUR 49.400,67 (prior year: EUR 20,747.95) – – thereof due in one year EUR 2.665.270,99 (prior year: EUR 2,185,096.34) – – thereof due in more than one year but less than five years EUR 2.529.578,42 (prior year: EUR 2,354,578.42) –	**5,194,849.41**	**4,539,674.80**
	8,993,387.19	**7,220,038.76**

BSV Bioscience GmbH, Baesweiler

Income Statement for the period from 1 April 2018 to 31 March 2019

	2018/19		2017/18	
	EUR	EUR	EUR	EUR
1. Gross profit		5,837,827.39		4,653,842.00
2. Personnel expenses				
a) Wages and salaries	-1,574,555.98		-1,414,888.37	
b) Social security	-330,937.67	-1,905,493.65	-284,843.68	-1,699,732.05
3. Amortization of intangible assets and depreciation of property, plant and equipment		-380,675.13		-311,808.10
4. Other operating expenses		-2,095,638.32		-1,730,526.60
5. Other interests and similar income		0.00		0.09
6. Interests and similar expenses		-239,676.50		-238,720.01
– thereof from affiliated companies EUR 14.444,66 (prior year: EUR 33,841.00) –				
7. Income taxes		-119,984.17		0.00
8. Profit after tax		**1,096,359.62**		**673,055.33**
9. Other taxes		-124.07		-360.10
10. Net income for the year		**1,096,235.55**		**672,695.23**

Appendix 2
Jahresabschluss
zum 31. März 2019

2.1 Bilanz

2.2 Gewinn- und Verlustrechnung

2.3 Anhang

BSV Bioscience GmbH, Baesweiler

Bilanz zum 31. März 2019

Aktiva

	31.3.2019 EUR	31.3.2018 EUR
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände	127.553,87	85.097,71
II. Sachanlagen	3.263.485,63	3.414.183,42
	3.391.039,50	**3.499.281,13**
B. Umlaufvermögen		
I. Vorräte	2.730.829,10	1.625.335,74
II. Forderungen und sonstige Vermögensgegenstände	2.226.023,88	1.500.316,65
III. Kassenbestand und Guthaben bei Kreditinstituten	570.789,41	523.291,31
	5.527.642,39	**3.648.943,70**
C. Rechnungsabgrenzungsposten	**74.705,30**	**71.813,93**
	8.993.387,19	**7.220.038,76**

Passiva

	31 3 2019	31 3 2018
	EUR	EUR
A. Eigenkapital		
I. Gezeichnetes Kapital	1.025.000,00	1.025.000,00
II. Kapitalrücklage	1.700.000,00	1.700.000,00
III. Verlustvortrag	-238.451,61	-911.146,84
IV. Jahresüberschuss	1.096.235,55	672.695,23
	3.582.783,94	**2.486.548,39**
B. Rückstellungen	**215.753,84**	**193.815,57**
C. Verbindlichkeiten – davon aus Steuern EUR 49.400,67 (i. Vj. EUR 20.747,95) – – davon mit einer Restlaufzeit bis zu einem Jahr EUR 2.665.270,99 (i. Vj. EUR 2.185.096,34) – – davon mit einer Restlaufzeit von mehr als einem Jahr und weniger als fünf Jahren EUR 2.529.578,42 (i. Vj. EUR 2.354.578,42) –	**5.194.849,41**	**4.539.674,80**
	8.993.387,19	**7.220.038,76**

BSV Bioscience GmbH, Baesweiler

Gewinn- und Verlustrechnung für die Zeit vom 1. April 2018 bis 31. März 2019

	2018/19		2017/18	
	EUR	EUR	EUR	EUR
1. Rohergebnis		5.837.827,39		4.653.842,00
2. Personalaufwand				
a) Löhne und Gehälter	-1.574.555,98		-1.414.888,37	
b) Soziale Abgaben	-330.937,67	-1.905.493,65	-284.843,68	-1.699.732,05
3. Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		-380.675,13		-311.808,10
4. Sonstige betriebliche Aufwendungen		-2.095.638,32		-1.730.526,60
5. Sonstige Zinsen und ähnliche Erträge		0,00		0,09
6. Zinsen und ähnliche Aufwendungen – davon an verbundene Unternehmen EUR 14.444,66 (i. Vj. EUR 33.841,00) –		-239.676,50		-238.720,01
7. Steuern vom Einkommen und vom Ertrag		-119.984,17		0,00
8. Ergebnis nach Steuern		**1.096.359,62**		**673.055,33**
9. Sonstige Steuern		-124,07		-360,10
10. Jahresüberschuss		**1.096.235,55**		**672.695,23**

Anhang für das Geschäftsjahr vom 1. April 2018 bis 31. März 2019

BSV Bioscience GmbH
Sitz: Baesweiler
Handelsregister: HRB 14876 beim Amtsgericht Aachen

I. Allgemeine Angaben

Der vorliegende Jahresabschluss wurde gemäß den §§ 242 ff. und 264 ff. HGB sowie nach den einschlägigen Vorschriften des GmbHG und des Gesellschaftsvertrages aufgestellt.

Die Gesellschaft ist erstmalig eine mittelgroße Kapitalgesellschaft gemäß § 267 Abs. 2 HGB. Für die Gesellschaft gelten daher gemäß § 267 Abs. 2 i.V.m. Abs. 4 Satz 1 HGB weiterhin die Vorschriften für kleine Kapitalgesellschaften im Sinne von § 267 Abs. 1 HGB. Die größenabhängigen Erleichterungen bei der Aufstellung wurden teilweise in Anspruch genommen.

II. Bilanzierungs- und Bewertungsmethoden

Für die Erstellung des Jahresabschlusses waren die nachfolgenden, gegenüber dem Vorjahr unveränderten, Bilanzierungs- und Bewertungsmethoden maßgebend.

Entgeltlich erworbene immaterielle Vermögensgegenstände wurden zu Anschaffungskosten aktiviert und, sofern sie der Abnutzung unterliegen, entsprechend ihrer Nutzungsdauer um planmäßige Abschreibungen (lineare Methode) vermindert.

Die Vermögensgegenstände des Sachanlagevermögens wurden nach Maßgabe der voraussichtlichen Nutzungsdauer um planmäßige Abschreibungen in Anlehnung an steuerlich anerkannte Höchstsätze vermindert. Zugänge des Geschäftsjahres wurden pro-rata-temporis abgeschrieben.

Für Vermögensgegenstände des Anlagevermögens mit einem Wert zwischen 150,00 EUR und 1.000,00 EUR wurde im Zugangsjahr ein Sammelposten gebildet, der über fünf Jahre abgeschrieben wird.

Die Bewertung der Roh-, Hilfs- und Betriebsstoffe sowie Waren erfolgte zu Anschaffungskosten. Fertige und unfertige Erzeugnisse wurden zu Herstellungskosten gemäß § 255 HGB bewertet. Fremdkapitalzinsen wurden nicht aktiviert. Notwendige Abwertungen aufgrund des Niederstwertprinzips wurden vorgenommen.

Für die im Vorratsvermögen ausgewiesenen Verbrauchsartikel des Labors wurde ein Festwert gemäß § 240 Abs. 3 HGB gebildet.

Forderungen und sonstige Vermögensgegenstände wurden grundsätzlich zum Nennwert bewertet.

Kassenbestand und Guthaben bei Kreditinstituten sind zum Nennwert angesetzt.

Aktive Rechnungsabgrenzungsposten werden mit den anteiligen Ausgaben aus der Zeit vor dem Abschlussstichtag, die Aufwendungen für Folgejahre darstellen, bewertet.

Das gezeichnete Kapital und Rücklagen sind zum Nennwert angesetzt.

Die sonstigen Rückstellungen berücksichtigen alle erkennbaren Risiken und ungewissen Verbindlichkeiten. Sie sind ausreichend bemessen und nach vernünftiger kaufmännischer Beurteilung in Höhe des notwendigen Erfüllungsbetrages bewertet. Die Bewertung erfolgte einzeln.

Verbindlichkeiten wurden mit dem Erfüllungsbetrag angesetzt.

Auf fremde Währung lautende kurzfristige Vermögensgegenstände und Schulden sind zum Stichtag mit dem Devisenkassamittelkurs auf Euro umgerechnet worden.

III. Erläuterungen zur Bilanz

Die Entwicklung der einzelnen Posten des Anlagevermögens sowie die Abschreibungen des laufenden Geschäftsjahres sind im Anlagespiegel gesondert dargestellt.

Forderungen gegen die Gesellschafterin bestanden zum Bilanzstichtag in Höhe von EUR 511.035,20 (Vorjahr EUR 741.031,60).

Verbindlichkeiten gegenüber der Gesellschafterin bestanden zum Bilanzstichtag in Höhe von EUR 367.564,16 (Vorjahr EUR 254.019,64).

Die Forderungen und Verbindlichkeiten gegenüber der Gesellschafterin haben insgesamt Restlaufzeiten von bis zu einem Jahr.

Die Verbindlichkeiten gegenüber Kreditinstituten in Höhe von EUR 2.829.578,42 sind wie folgt besichert:
- Sicherungsübereignung von Anlage- und Umlaufvermögen,
- Globalzession sämtlicher Forderungen mit Ausnahme der Ansprüche aus Lieferungen und Leistungen, sofern diese an eine Factoring Gesellschaft abgetreten werden,
- Bürgschaft des Mutterunternehmens Bharat Serums and Vaccines Limited, Mumbai, Indien, nach indischem Recht,
- Kapitalbelassungserklärung des Mutterunternehmens Bharat Serums and Vaccines Limited, Mumbai, Indien, an den Geschäftsanteilen der BSV dahingehend, dass diese Anteile nicht ohne vorherige schriftliche Zustimmung der EXIM-Bank veräußert werden.

IV. Angaben zur Gewinn- und Verlustrechnung

Die Gewinn- und Verlustrechnung ist nach dem Gesamtkostenverfahren aufgestellt.

Im Rohergebnis sind Erträge aus Währungsumrechnung in Höhe von 78.035,91 (Vorjahr EUR 250.749,65) enthalten. In den sonstigen betrieblichen Aufwendungen sind Aufwendungen aus Währungsumrechnung in Höhe von EUR 142.153,35 (Vorjahr EUR 125.881,68) enthalten.

V. Sonstige Angaben

Die Geschäftsführung wurde im Jahr 2018/19 wahrgenommen von:

- Herrn Raj Angchekar, Kaufmann, Würselen (seit dem 16. November 2018)
- Herrn Anil Damle, Kaufmann, Mumbai, Indien (bis zum 16. November 2018)
- Herrn Rahul Srivastava, Kaufmann, Mumbai, Indien (bis zum 16. November 2018)

Im Geschäftsjahr wurden durchschnittlich 34 Mitarbeiter beschäftigt.

Mutterunternehmen (Beteiligungsquote 100 %) der BSV ist Bharat Serums and Vaccines Limited, die den Konzernabschluss für den größten und kleinsten Kreis von Unternehmen aufstellt. Sitz des Mutterunternehmens: 17th Floor, Hoechest House, Nariman Point, Mumbai - 400021, Indien. Der Konzernabschluss des Mutterunternehmens ist beim indischen Ministry of Corporate Affairs (www.mca.gov.in) erhältlich.

Baesweiler, den 14. Juni 2019

BSV Bioscience GmbH

Raj Angchekar

BSV Bioscience GmbH, Baesweiler

Entwicklung des Anlagevermögens im Geschäftsjahr 2018/19

	Anschaffungs- und Herstellungskosten				
	1.4.2018	Zugänge	Abgänge	Umbuchung	31.3.2019
	EUR	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände	115.632,15	54.514,00	0,00	32.850,00	202.996,15
II. Sachanlagen	5.172.426,45	217.919,50	0,00	-32.850,00	5.357.495,95
	5.288.058,60	**272.433,50**	**0,00**	**0,00**	**5.560.492,10**

Kumulierte Abschreibungen				Buchwerte	
1.4.2018	Zugänge	Abgänge	31.3.2019	31.3.2019	31.3.2018
EUR	EUR	EUR	EUR	EUR	EUR
30.534,44	44.907,84	0,00	75.442,28	127.553,87	85.097,71
1.758.243,03	335.767,29	0,00	2.094.010,32	3.263.485,63	3.414.183,42
1.788.777,47	**380.675,13**	**0,00**	**2.169.452,60**	**3.391.039,50**	**3.499.281,13**

Bestätigungsvermerk des unabhängigen Abschlussprüfers

An die BSV Bioscience GmbH, Baesweiler

Prüfungsurteil

Wir haben den Jahresabschluss der BSV Bioscience GmbH, Baesweiler – bestehend aus der Bilanz zum 31. März 2019 und der Gewinn- und Verlustrechnung für die Zeit vom 1. April 2018 bis 31. März 2019 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. März 2019 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2018 bis 31. März 2019.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zum Jahresabschluss zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, sowie einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.

- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieses Systems der Gesellschaft abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Düsseldorf, den 14. Juni 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

KPMG AG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT SIEGEL BERLIN

Hemker
Wirtschaftsprüfer

Stelzer
Wirtschaftsprüfer

Appendix 4
General Engagement Terms

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

BSV BIOCIENCE PHILIPPINES, INC.

FINANCIAL STATEMENTS

December 31, 2018 and 2017

KPMG

R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue, Makati City
Philippines 1226

Telephone	+63 (2) 885 7000
Fax	+63 (2) 894 1985
Internet	www.kpmg.com.ph
Email	ph-inquiry@kpmg.com.ph

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Board of Directors and Stockholders
BSV BioScience Philippines, Inc.
3805 One San Miguel Ave. Condominium
San Miguel Ave. Cor Shaw Blvd.
Pasig City

We have audited the accompanying financial statements of BSV BioScience Philippines, Inc. as at and for the year ended December 31, 2018, on which we have rendered our report dated June 19, 2019.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

R.G. MANABAT & CO.

VERNILO G. YU
Partner
CPA License No. 108798
SEC Accreditation No. 1574-A, Group A, valid until August 11, 2019
Tax Identification No. 225-454-652
BIR Accreditation No. 08-001987-35-2018
Issued September 20, 2018; valid until September 19, 2021
PTR No. MKT 7333641
Issued January 3, 2019 at Makati City

June 19, 2019
Makati City, Metro Manila

KPMG

R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue, Makati City
Philippines 1226
Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
Email ph-inquiry@kpmg.com.ph

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
BSV BioScience Philippines, Inc.
3805 One San Miguel Ave. Condominium
San Miguel Ave. Cor Shaw Blvd.
Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSV BioScience Philippines, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional *Accountants* in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a capital deficiency of P21.86 million as at December 31, 2018. This condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future funding requirements of the Company are expected to be met through net cash inflows generated from operating activities and the continuing financial support of Bharat Serums & Vaccines Limited, the parent company, which it has confirmed to enable the Company to continue as a going concern. We conducted sufficient audit procedures to verify the validity of the aforementioned plan. The accompanying financial statements do not include any adjustment that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

JUL 2019

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly sated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

2 JUL 2019

VERNILO G. YU
Partner
CPA License No. 108798
SEC Accreditation No. 1574-A, Group A, valid until August 11, 2019
Tax Identification No. 225-454-652
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Issued September 20, 2018; valid until September 19, 2021
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Issued January 3, 2019 at Makati City

June 19, 2019
Makati City, Metro Manila

BSV Biosciences Philippines, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The management of **BSV BioScience Philippines, Inc.** (the "Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2018. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period including, but not limited, to the withholding tax returns and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2018 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and

(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

MIHIR JAYANT SHAH
Chairman / President

BUREAU OF INTERNAL REVENUE ... 12 JUL 2019

PACITA D. BRANDENBERGER
Treasurer

Signed this _day of _______________2019

BSV BIOSCIENCE PHILIPPINES, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2018**	2017
ASSETS			
Current Assets			
Cash	*4, 16*	**P39,879,376**	P15,040,637
Receivables	*5, 16*	**56,386,337**	67,991,746
Inventories	*6, 10, 13*	**96,153,648**	79,265,064
Prepayments and other current assets	*7*	**12,953,178**	5,316,081
Total Current Assets		**205,372,539**	167,613,528
Noncurrent Assets			
Property and equipment - net	*8*	**1,020,782**	953,594
Intangible asset	*9*	**2,203,200**	2,754,000
Deferred tax asset	*15*	**3,343,559**	-
Total Noncurrent Assets		**6,567,541**	3,707,594
		P211,940,080	P171,321,122
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and accrued expenses	*10, 11, 16*	**P161,314,988**	P142,861,026
Due to related parties	*10, 16*	**72,485,597**	14,462,786
Total Current Liabilities		**233,800,585**	157,323,812
Noncurrent Liability			
Deferred tax liability	*15*	**-**	1,250,747
Total Liabilities		**233,800,585**	158,574,559
Equity			
Capital stock		**9,350,000**	9,350,000
Retained earnings (Deficit)		**(31,210,505)**	3,396,563
Total Equity (Capital Deficiency)		**(21,860,505)**	12,746,563
		P211,940,080	P171,321,122

See Notes to the Financial Statements.

BUREAU OF INTERNAL REVENUE
12 JUL 2019

BSV BIOSCIENCE PHILIPPINES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2018	2017
SALES	12	**P308,994,404**	P88,000,136
COST OF SALES	6, 13	**247,113,462**	72,705,231
GROSS PROFIT		**61,880,942**	15,294,905
OPERATING EXPENSES			
Sales and marketing		**37,966,390**	8,717,349
Salaries and wages		**36,285,546**	3,657,816
Training and development		**2,999,931**	802,395
Professional fees		**2,033,672**	-
Regulatory		**1,065,676**	2,550
Depreciation and amortization	8, 9	**969,480**	296,352
Rent	14	**943,211**	777,111
Bidding expenses		**625,043**	-
Office supplies		**490,203**	165,294
Utilities expense		**335,662**	-
Repairs and maintenance		**151,626**	130,974
Miscellaneous		**655,391**	3,668
		84,721,831	14,553,509
INCOME (LOSS) FROM OPERATIONS		**(22,840,889)**	741,396
OTHER INCOME (EXPENSES) - Net			
Foreign exchange gain(loss)	16	**(15,314,353)**	4,169,156
Bank charges		**(1,116,237)**	(2,650)
Interest income	4	**70,105**	48,280
		(16,360,485)	4,214,786
INCOME (LOSS) BEFORE INCOME TAX		**(39,201,374)**	4,956,182
INCOME TAX EXPENSE (BENEFIT)	15	**(4,594,306)**	1,472,370
NET INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)		**(P34,607,068)**	P3,483,812

See Notes to the Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.
STATEMENT OF CHANGES IN EQUITY

	Years Ended December 31	
	2018	2017
CAPITAL STOCK - P1 par value		
Authorized - 1,000,000 shares		
Issued and outstanding - 9,350,000 shares	**P9,350,000**	P9,350,000
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of the period	**3,396,563**	(87,249)
Net income (loss) for the period	**(34,607,068)**	3,483,812
Balance at end of the period	**(31,210,505)**	3,396,563
Balance at December 31, 2018	**(P21,860,505)**	P12,746,563

See Notes to the Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2018**	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(P39,201,374)**	P4,956,182
Adjustments for:			
Unrealized foreign exchange loss (gain)	*16*	**15,314,353**	(4,169,156)
Depreciation and amortization	*8, 9*	**969,480**	296,352
Operating income (loss) before working capital changes		**(22,917,541)**	1,083,378
Decrease (Increase) in:			
Receivables		**11,605,409**	(67,991,746)
Inventories		**(16,888,584)**	(79,265,064)
Prepayments and other current assets		**(7,637,097)**	(5,316,081)
Increase (Decrease) in:			
Trade payables and accrued expenses		**3,500,723**	147,030,182
Due to related parties		**1,926,897**	14,375,537
Cash generated (used) from operations		**(30,410,193)**	9,916,206
Income tax paid		**-**	(221,623)
Net cash provided (used) by operating activities		**(30,410,193)**	9,694,583
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment	*8*	**(485,868)**	(1,249,946)
Intangible asset	*9*	**-**	(2,754,000)
Cash used in investing activities		**(485,868)**	(4,003,946)
CASH FLOWS FROM A FINANCING ACTIVITY			
Proceeds from advances from related parties	*10*	**55,734,800**	-
NET INCREASE IN CASH		**24,838,739**	5,690,637
CASH AT BEGINNING OF YEAR		**15,040,637**	9,350,000
CASH AT END OF YEAR		**P39,879,376**	P15,040,637

See Notes to the Financial Statements.

BSV BIOSCIENCE PHILIPPINES, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

BSV BioScience Philippines, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on February 11, 2016 primarily to own, manage, operate and engage in all acts associated in the conduct of business of manufacturers, researchers, importers, druggist, distributors, and dealers in pharmaceutical, biological, biotech, medical, cosmetic, nutraceuticals, medical devices, and chemical products; to research, develop, manufacture, process, purchase, market, store, repack, sell, import, export, or otherwise distribute in wholesale, drugs, medicines, diagnostics, injectable biological, pharmaceutical, and biotechnology products and preparations of all kinds and description and articles, compounds, oils, paints, pigments, and color grinders, makers; and to establish and maintain laboratories, plants, and other facilities for the manufacture or repacking on a commercial basis of such products and supplies; to import, buy, sell and generally deal in all kinds of machinery, equipment, in proprietary articles of all kinds and of electrical, chemical photographical, scientific apparatus, appliances and instruments as well as in raw materials in bulk, compounds, extracts and other chemicals or ingredients required for such manufacturing operations; to research, develop, and conduct tests and clinical trials for medical treatments; and to provide technical and management advice to physicians, dentists, nurses, pharmacists, hospitals, pharmacies and similar healthcare professionals and establishments.

The Company is 99% owned by Bharat Serums & Vaccines Limited (the "Parent company"), a company incorporated in India. The rest is owned by individuals.

On April 16, 2018, the Company amended its Articles of Incorporation and By-laws. Its secondary purpose was amended to include training to medical representatives/territory managers, whose primary purpose is to introduce and promote company's product to qualified personnel by informing them of the products' important feature and benefit. Effective April 1, 2019, the Company's fiscal year was amended to begin on the first day of April and end on the last day of March of each year.

<u>Status of Operations</u>
The financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred a capital deficiency of P21.86 million as at December 31, 2018. This condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The future funding requirements of the Company are expected to be met through net cash inflows generated from operating activities and the continuing financial support of the Parent company which it has confirmed to enable the Company to continue as a going concern.

The Company's registered office address is located at 3805 One San Miguel Ave. Condominium, San Miguel Ave. corner Shaw Blvd., Pasig City.

2. Basis of Preparation

Statement of Compliance
The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Financial Reporting Standards Council (FRSC), consist of PFRS, Philippine Accounting Standards (PASs), and Philippine Interpretations.

This is the first set of the Company's financial statements in which PFRS 15, Revenue from Contracts with Customers and PFRS 9, Financial Instruments have been applied. Changes to significant accounting policies are described in Note 3.

The Company qualifies as a Small and Medium-sized Entity (SME) based on the criteria set by the SEC. However, as provided under the Securities Regulation Code Rule 68, As Amended, the Company availed of the exemption from the mandatory adoption of the PFRS for SMEs on the basis that the Company is a subsidiary of a parent company whose country has a probable convergence plan with IFRS.

The accompanying financial statements were authorized for issue by the Board of Directors (BOD) on June 18, 2019.

Basis of Measurement
The financial statements have been prepared on the historical cost basis of accounting.

Functional and Presentation Currency
The financial statements are presented in Philippine peso, which is the Company's functional currency. All financial information presented in Philippine peso has been rounded to the nearest peso, except when otherwise indicated.

Use of Estimates and Judgments
The preparation of the financial statements in conformity with PFRSs requires management to make judgments, estimates and use assumptions that affect the application of policies and the amounts reported in the financial statements. The judgments, estimates and assumptions used in preparing the accompanying financial statements are based on management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results may differ from these estimates.

Judgments, estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Judgments
In the process of applying the Company's accounting policies, management has made the judgment below, apart from those involving estimations, that has the most significant effect on the amounts recognized in the financial statements.

Classification of Financial Instruments
The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

In addition, the Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Determining whether an Arrangement Contains a Lease
The Company uses its judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement at inception date, and makes assessment on whether the arrangement is dependent on the use of a specific asset or assets, the arrangement conveys a right to use the asset and the arrangement transfers substantially all the risks and rewards incidental to ownership to the Company.

Operating Lease
The Company as Lessee. The Company has entered into lease arrangements as a lessee. The Company has determined that the lessors retain all the risks and rewards of ownership on the leased assets, thus, the said leases are classified as an operating lease.

Rent expense recognized in profit or loss by the Company for the years ended December 31, 2018 and 2017 amounted to P943,211 and P777,111, respectively (see Note 14).

Determining the Timing of Recognizing Revenue
The Company uses its judgment in determining the timing of the transfer of control on the goods that it delivered and services that it rendered. The Company determined that the control is transferred for sale of goods upon customer's acceptance.

Revenue from sale of goods is recognized at a point in time when the control of the goods has transferred to the customer, being at the point the customer received and accepted the goods at their premises.

Recognition of Deferred Tax Assets
The Company reviews the carrying amounts of deferred taxes at the reporting date and reduces deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company.

The Company has deferred tax assets amounting to P3,343,559 and nil as at December 31, 2018 and 2017, respectively. The Company has unrecognized deferred tax assets in respect of net operating loss carry-over (NOLCO) to P7,173,161 and nil as at December 31, 2018 and 2017, respectively, since management does not expect to have sufficient future taxable profit against which the Company can utilize benefit therefrom (Note 15).

Estimates
The key assumptions concerning the future and other key sources of estimation and uncertainty at reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating Useful Lives of Property and Equipment, and Intangible Asset
The Company reviews at each reporting date the estimated useful lives (EUL) of property and equipment, and intangible asset based on the period over which the assets' future economic benefits are expected to be utilized or consumed. These are revised if expectations differ from previous estimates due to physical wear and tear, and technical and commercial obsolescence.

In addition, estimation of the useful lives of property and equipment, and intangible asset is based on collective assessment of industry practice, internal technical evaluation and experience with similar asset. It is possible however, that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the EUL would increase the recorded depreciation and amortization expense and decrease noncurrent assets (see Note 8).

The EUL of the Company's property and equipment, and intangible asset are as follows:

	Number of Years
Computer equipment	3
Leasehold improvements	2 - 3 or lease term, whichever is shorter
Office furniture and fixtures	5 - 10
Intangible asset	5

The carrying amount of the Company's property and equipment amounted to P1,020,782 and P953,594 as at December 31, 2018 and 2017, respectively (see Note 8). As at December 31, 2018 and 2017, capitalized software net of accumulated amortization amounted to P2,203,200 and P2,754,000, respectively (see Note 9).

Estimating Impairment of Non-financial Assets
The Company assesses at each reporting date whether there is an indication that an item of property, plant and equipment and intangible asset may be impaired. Determining the value of the assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material impact on the financial position and financial performance of the Company.

The preparation of the estimated future cash flows involves estimations and assumptions. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of the recoverable amounts and may lead to future additional impairment charges.

The Company assessed that its property, plant and equipment and capitalized software are not impaired as at the reporting date.

Estimating Provisions and Contingencies
Provision is reviewed at each reporting date and is adjusted to reflect the current best estimates. These estimates are based on consultations with independent outside parties, historical experience and other available data. While management believes that the bases of these estimates are reasonable and appropriate, significant differences in actual experience or assumption may materially affect the recorded provision.

The estimate of the probable costs for the resolution of possible claims has been developed in consultation with outside legal counsel handling the Company's defense in these matters and is based upon an analysis of potential results Management and its legal counsel believe that the Company has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal claims, if any, will not have a material adverse impact on the financial statements as at December 31, 2018 and 2017.

Estimating Impairment Losses on Receivables
The Company uses the expected credit loss model (ECL) in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is measured as the present value of all cash shortfalls (the difference between the cash flows that the Company expects to receive). The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. The maturity of the Company's receivables is less than one year so the lifetime expected credit loss and the 12-month expected credit losses are similar. In addition, management assessed the credit risk of the receivables as at the reporting date as low, therefore the Company did not have to assess whether a significant increase in credit risk has occurred. An increase in the allowance for impairment losses would increase the recorded general and administrative expenses and decrease current assets.

As at December 31, 2018 and 2017, allowance for impairment losses on receivables amounted to nil. The carrying amount of receivables amounted to P56,386,337 and P67,991,746 as at December 31, 2018 and 2017, respectively (Note 5).

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except for the changes in accounting policies as explained below.

Adoption of New Standards and Interpretations
The Company has adopted the following amendments to standards starting January 1, 2018 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards did not have any impact on the Company's financial statements. These are as follows:

- PFRS 9, *Financial Instruments (2014)* replaces PAS 39, *Financial Instruments*: Recognition and Measurement and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013).

  PFRS 9 includes revised guidance on the classification and measurement of financial assets that reflects the business model in which assets are managed and their cash flow characteristics, including a new forward-looking expected credit loss model for calculating impairment, and guidance on own credit risk on financial liabilities measured at fair value. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

  Classification and Measurement of Financial Assets
  The following table shows the original measurement categories under PAS 39 and the new measurement categories under PFRS 9 for each class of the Company's financial assets as at January 1, 2018.

Financial Assets	Original Classification under PAS 39	New Classification under PFRS 9	Original Carrying Amount under PAS 39	New Carrying Amount under PFRS 9
Cash	Loans and receivables	Amortized cost	P15,040,637	P15,040,637
Receivables	Loans and receivables	Amortized cost	67,991,746	67,991,746
Total Financial Assets			P83,032,383	P83,032,383

  Impairment of Financial Assets
  PFRS 9 replaces the incurred loss model in PAS 39 with an ECL model. The new impairment model applies to financial assets measured at amortized cost. For assets in the scope of PFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has assessed that the impact of providing ECL is immaterial. Thus, the Company has determined that the application of PFRS 9's impairment requirements at January 1, 2018 did not result in an additional allowance for impairment.

  The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2017 does not generally reflect the requirements of PFRS 9, but rather those of PAS 39.

Classification and Measurement of Financial Liabilities
The Company has not designated any financial liabilities at Fair Value Through Profit or Loss (FVTPL). There are no changes in the classification and measurement of the Company's financial liabilities.

- PFRS 15, *Revenue from Contracts with Customers,* replaces PAS 11, *Construction Contracts*, PAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31, *Revenue - Barter Transactions Involving Advertising Services.*

  The new standard introduces a new and more comprehensive revenue recognition model for contracts with customers which specifies that revenue should be recognized when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled.

  PFRS 15 requires a contract with a customer to be legally enforceable and to meet certain criteria to be within the scope of the standard and for the general model to apply. It introduces detailed guidance on identifying performance obligations which requires entities to determine whether promised goods or services are distinct. It also introduces detailed guidance on determining transaction price, including guidance on variable consideration and consideration payable to customers. The transaction price will then be generally allocated to each performance obligation in proportion to its stand-alone selling price. Depending on whether certain criteria are met, revenue is recognized over time, in a manner that best reflects the entity's performance, or at a point in time, when control of the goods or services is transferred to the customer.

  The standard does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other PFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another PFRS, then the guidance on separation and measurement contained in the other PFRS takes precedence.

  The Company has adopted PFRS 15 using the cumulative effect method, with no adjustment recognized at the date of initial application (January 1, 2018). Accordingly, the information presented for 2017 has not been restated. It is presented, as previously reported, under PAS 18 and related interpretations. Additionally, the disclosure requirements in PFRS 15 have not generally been applied to comparative information.

- Philippine Interpretation IFRIC-22, *Foreign Currency Transactions and Advance Consideration.* The interpretation clarifies that the transaction date to be used for translation for foreign currency transactions involving an advance payment or receipt is the date on which the entity initially recognizes the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to separate transaction date. The interpretation applies when an entity pays or receives consideration in a foreign currency and recognizes a non-monetary asset or liability before recognizing the related item.

Financial Instruments

Non-derivative Financial Instruments

Financial instruments comprise cash, trade receivables, deposits, trade payables and accrued expenses (excluding payable to government) and due to related parties.

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given or received. The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVTPL), includes transaction cost.

Financial Assets

Financial assets - Accounting Policy Applicable from January 1, 2018

Classification and Subsequent Measurement. On initial recognition, the Company classifies its financial assets in the following measurement categories: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost using the effective interest method if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Included in this category are the Company's cash, trade receivables and deposits.

Cash includes cash on hand and in banks which are stated at face value. Cash in banks earns interest at the respective deposit rates.

'Day 1' Profit
Where the transaction price in a non-active market is different from the fair value of the other observable current market transactions for same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' Profit) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which are not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' profit amount.

Business Model Assessment. The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

a. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

b. how the performance of the portfolio is evaluated and reported to the Company's management;

c. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

d. how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

e. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Solely Payments of Principal and Interest Assessment. Principal is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial Assets

Financial assets - Accounting Policy Applicable before January 1, 2018

Classification and Subsequent Measurement. The Company classifies its financial assets in the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, FVTPL financial assets, and loans and receivables. The classification depends on the purpose for which the financial assets are acquired and whether the instruments are quoted in an active market. Management determines the classification of its financial assets as at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

The measurement of financial assets subsequent to initial recognition is described below:

- *Loans and Receivables.* Loans and receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial asset or financial asset at FVTPL.

  Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Any interest earned on loans and receivables shall be recognized in profit or loss on an accrual basis. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  The Company's cash and trade receivables are included in this category. Cash includes cash on hand and cash in banks which are stated at face value.

  Receivables have fixed or determinable payments and are not quoted in an active market. These are measured at amortized cost using the effective interest method less accumulated impairment. Interest is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

As at December 31, 2018 and 2017, the Company has no financial assets and financial liabilities at FVTPL, HTM investments and AFS financial assets.

Financial Liabilities

Classification and Subsequent Measurement. The Company classifies its financial liabilities as either FVTPL financial liabilities or other financial liabilities. The classification depends on the purpose for which the financial liabilities are incurred and whether the instruments are quoted in an active market. Management determines the classification of its financial liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

PFRS 9 largely retains the existing requirements in PAS 39 for the classification and measurement of financial liabilities. The adoption of PFRS 9 does not have an effect on the Company's accounting policies related to financial liabilities.

The measurement of financial instruments subsequent to initial recognition is described below:

- *Other Financial Liabilities.* This category pertains to financial liabilities that are not designated or classified as at FVTPL upon the inception of the liability. These include liabilities arising from operations or borrowings. Other financial liabilities are measured initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and directly attributable transaction costs. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The Company's trade payables and accrued expense, and due to related parties are included in this category.

Derecognition of Financial Instruments
Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets
Impairment of Financial Assets - Accounting Policy Applicable from January 1, 2018

PFRS 9 replaces the 'incurred loss' model in PAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under PFRS 9, credit losses are recognized earlier than under PAS 39.

ECL is the probability-weighted estimate of credit losses over the expected life of the financial instrument, representing the present value of expected cash shortfalls. The Company applies either a 12-month ECL or a lifetime ECL. Lifetime ECL applies to the financial assets that have experienced a significant increase in credit risk or are already credit-impaired.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor

A default on a financial asset is when the counterparty fails to make contractual payments and objective evidence of impairment exists. A financial asset is credit-impaired when an event that has a detrimental impact on the estimated future cash flows have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default;
- it is probable that the borrower will enter bankruptcy or either financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Financial assets are written off when there is no reasonable expectation of recovery. The Company categorizes a receivable for write off when a debtor fails to make payments or when it is no longer probable that the receivable will be collected. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Impairment of Financial Assets - Accounting Policy Applicable before January 1, 2018

The Company assesses at reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For assets carried at amortized cost such as loans and receivables, the Company first assesses whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a significant financial asset that was individually assessed, the Company includes the asset as part of a group of financial assets pooled according to their credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective assessment of impairment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest payments, or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower.

For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions or industry-wide developments indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is not material.

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The impairment loss for the period shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

<u>Offsetting Financial Instruments</u>
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross in the statement of financial position.

Fair Value Measurement
The Company measures a number of financial and nonfinancial assets and liabilities at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date. The fair valued based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For purposes of the fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Prepayments and Other Current Assets
Prepayments are expenses paid in cash and recorded as assets before they are used or consumed as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other current assets include taxes paid in advance.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). The cost of inventories, which is determined at actual cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing these inventories to their present location and condition.

The NRV of finished goods is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

When inventories are sold, the carrying amounts of those inventories are recognized under "Cost of Sales" account in the statement of comprehensive income in the period when the related revenue is recognized.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and impairment losses, if any.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Subsequent expenditures that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset, in excess of the originally assessed standard of performance, will flow to the Company. All other subsequent expenditures are recognized as an expense in the period in which they are incurred.

Depreciation and amortization are computed using the straight-line method over the EUL of the property and equipment. Leasehold improvements are amortized over shorter of their EUL or the corresponding lease terms.

The assets' residual values, EUL and depreciation methods are reviewed at each reporting date and adjusted, if appropriate, to ensure that the period and depreciation methods are consistent with the expected pattern of economic benefits from those assets. Any change in the expected residual values, EUL and depreciation methods are adjusted prospectively from the time the change was determined necessary.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with definite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at reporting date. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets are derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognized.

Impairment of Nonfinancial Assets
The carrying amounts of the Company's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of a nonfinancial asset is the greater of the asset's fair value less costs to of disposal or value in use. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds the estimated recoverable amount. Impairment losses are recognized in profit or loss.

Capital Stock
Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stocks are recognized as a deduction from equity, net of any tax effects.

Retained Earnings (Deficit)
Retained earnings represent the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments, if any. When the retained earnings account has a debit balance, it is called a "Deficit". A deficit is not an asset but a deduction from equity.

Dividend distribution to the Company's shareholder is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

Revenue Recognition
Revenue from Contracts with Customers
The Company recognizes revenue when it transfers control over a good to a customer. Transfer of control coincides with the customer's acceptance and delivery of goods and services. Revenue is measured at the transaction price which the Company expects to be entitled, excluding amounts collected on behalf of third parties. Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Revenue is recognized when the significant transfer of control of ownership have been conveyed to the customer, recovery of consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of discounts and rebates.

Revenue is recognized at a point in time when the control of the goods has transferred to the customer, being at the point the customer received and accepted the goods at their premises.

Interest Income
Interest income is recognized as it accrues using the effective interest rate method, net of final tax.

Cost and Expense Recognition
Costs and expenses are decrease in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in profit or loss when they are incurred and are reported in the financial statements in the periods to which they relate.

Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Operating Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;

b. A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;

c. There is a change in determination of whether fulfillment is dependent on a specified asset; or

d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term.

Foreign Currency Transactions
Transactions in foreign currencies are recorded in Philippine peso based on the prevailing exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated in Philippine peso using the exchange rates prevailing at the reporting date. Exchange gains or losses arising from transaction of foreign currency denominated items at rates different from those at which they were previously recorded are recognized in profit or loss.

Nonmonetary items in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred Tax. Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be used.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using the tax rate that is expected to apply in the year when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for carryforward tax benefits of unused NOLCO, unused tax credits from excess MCIT and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recognized.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in the periods in which the change occurs.

Events After the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Standards, Amendments to Standards and Interpretations Issued but Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2018. However, the Company has not applied the following new or amended standards and interpretations in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

Effective January 1, 2019

- PFRS 16, *Leases* supersedes PAS 17, *Leases* and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance, and new disclosure requirements.

Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification, and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date, were introduced.

PFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply PFRS 15 at or before the date of initial application of PFRS 16.

The Company is currently assessing the potential impact of PFRS 16 and plans to adopt this new standard on the required effective date.

- *Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments* clarifies how to apply the recognition and measurement requirements in PAS 12, *Income Taxes* when there is uncertainty over income tax treatments. Under the interpretation, whether the amounts recorded in the financial statements will differ to that in the tax return, and whether the uncertainty is disclosed or reflected in the measurement, depends on whether it is probable that the tax authority will accept the Company's chosen tax treatment. If it is not probable that the tax authority will accept the Company's chosen tax treatment, the uncertainty is reflected using the measure that provides the better prediction of the resolution of the uncertainty - either the most likely amount or the expected value.

  The interpretation also requires the reassessment of judgments and estimates applied if facts and circumstances change - e.g., as a result of examination or action by tax authorities, following changes in tax rules or when a tax authority's right to challenge a treatment expires.

  The interpretation is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The interpretation can be initially applied retrospectively applying PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, if possible without the use of hindsight, or retrospectively with the cumulative effect recognized at the date of initial application without restating comparative information.
  The Company is currently assessing the potential impact of IFRIC 23 and plans to adopt this interpretation on the required effective date.

Effective January 1, 2020

- *Amendments to References to Conceptual Framework in PFRS Standards* sets out amendments to PFRS Standards, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes:

  - a new chapter on measurement;
  - guidance on reporting financial performance;
  - improved definitions of an asset and a liability, and guidance supporting these definitions; and,
  - clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Some Standards, their accompanying documents, and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee (IASC)'s Framework for the Preparation and Presentation of Financial Statements adopted by the IASB in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework, and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

These amendments are effective for annual reporting periods beginning on or after January 1, 2020.

- Definition of Material (Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8). The amendments refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

  (a) raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence';

  (b) including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition;

  (c) clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework;

  (d) clarifying the explanatory paragraphs accompanying the definition; and

  (e) aligning the wording of the definition of material across PFRS Standards and other publications.

  The amendments are expected to help entities make better materiality judgments without substantively changing existing requirements.

  The amendments apply prospectively for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

4. Cash

The account as at December 31 consists of:

	Note	**2018**	2017
Cash on hand		**P374,500**	P -
Cash in banks	*16*	**39,504,876**	15,040,637
		P39,879,376	P15,040,637

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned related to these bank deposits amounted to P70,105 and P48,280 for the period ended December 31, 2018 and 2017, respectively.

5. Receivables

This account consists of:

	Note	2018	2017
Trade receivables	*16*	**P56,126,965**	P67,991,746
Advances to officers and employees		**259,372**	-
		P56,386,337	P67,991,746

Trade receivables are receivables from the Company's distributors. They are secured, non-interest bearing and are generally settled on a 30 to 90 days term.

6. Inventories

Inventories at net realizable value consists of merchandise inventories bought from the Company's related party in India.

The cost of inventories amounted to P96,153,648 and P79,265,064 million as at December 31, 2018 and 2017, respectively. There were no write-down of inventories for the years ended December 31, 2018 and 2017.

The cost of inventories sold included under the "Cost of Sales" account in the statements of comprehensive income amounted to P247,113,462 and P72,705,231 for the years ended December 31, 2018 and 2017, respectively (see Note 13).

7. Prepaid Expenses and Other Current Assets

This account consists of:

	Note	2018	2017
Input VAT		**P7,797,449**	P4,657,703
Prepaid taxes		**5,028,729**	658,378
Deposits	*14, 16*	**127,000**	-
		P12,953,178	P5,316,081

Prepaid taxes account pertains to overpayment of income tax payable which can be used by the Company in future years as a tax credit.

8. Property and Equipment

This account consists of:

	Computer Equipment	Office Furniture and Fixtures	Leasehold Improvements	Total
Cost				
Balance at December 31, 2016	P -	P -	P -	P -
Additions during the year	535,970	522,394	191,582	1,249,946
Balance at December 31, 2017	535,970	522,394	191,582	1,249,946
Additions during the year	481,785	2,858	1,225	485,868
Balance at December 31, 2018	1,017,755	525,252	192,807	1,735,814
Accumulated Depreciation				
Balance at December 31, 2016	-	-	-	-
Depreciation	129,100	47,823	119,429	296,352
Balance at December 31, 2017	129,100	47,823	119,429	296,352
Depreciation	284,719	81,357	52,604	418,680
Balance at December 31, 2018	413,819	129,180	172,033	715,032
Carrying Amount				
December 31, 2017	P406,870	P474,571	P72,153	P953,594
December 31, 2018	**P603,936**	**P396,072**	**P20,774**	**P1,020,782**

Depreciation is recorded under the "Operating Expenses" account in the statement of comprehensive income.

9. Intangible Asset

This account consists of:

	Software Licenses
Cost	
Balance at December 31, 2016	P -
Additions during the year	2,754,000
Balance at December 31, 2017	2,754,000
Additions during the year	-
Balance at December 31, 2018	2,754,000
Accumulated Amortization	
Balance at December 31, 2016	-
Amortization	-
Balance at December 31, 2017	-
Amortization	550,800
Balance at December 31, 2018	550,800
Carrying Amount	
December 31, 2017	P2,754,000
December 31, 2018	**P2,203,200**

Amortization is recorded under the "Operating Expenses" account in the statement of comprehensive income.

10. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company's related party transactions in 2018 and 2017 are summarized as follows:

				Outstanding Balances		
Category/ Transaction	**Year**	***Note***	**Transactions During the Period**	**Trade Payables**	**Due to Related Parties**	**Terms and Conditions**
Parent						
▪ Purchase of inventories	**2018**	*a*	**P261,494,317**	**P153,944,876**	**P -**	Demandable; non- interest bearing;
	2017		146,254,980	139,229,099	-	unsecured; not impaired
▪ Advances	**2018**	*b*	**55,734,800**	-	**55,734,800**	Demandable; interest may be
	2017		-	-	-	charged at the option of the creditor; unsecured; not impaired
Entity under Common Control						
▪ Fund transfer	**2018**	*c*	**2,288,011**	-	**6,524,851**	Demandable: non- interest bearing;
	2017		4,236 840	-	4,236,840	unsecured; not impaired
▪ Others	**2018**	*d*	-	-	**10,225,946**	Demandable; non- interest bearing;
	2017		10,225.946	-	10,225,946	unsecured; not impaired
Total	**2018**			**P153,944,876**	**P72,485,597**	
	2017			P139,229,099	P14,462.786	

a. The Company purchases inventories from its Parent company.

b. The Company received advances from its Parent company amounting to $260,000 and $800,000 on May 2018 and July 2018, respectively, for working capital purposes.

c. The Company has payables to its affiliate, Bharat Serums and Vaccines Limited Philippines-Representative office, related to expense reimbursements.

d. Others contain payables due to purchases of accounting software and travel expenses of the Company's General Manager and doctors for marketing purposes.

11. Trade Payables and Accrued Expenses

This account consists of:

	Note	**2018**	2017
Trade payables - related party	*10*	**P153,944,876**	P139,229,099
Trade payables - third parties		**1,833,919**	-
Accrued expenses		**4,268,386**	3,087,831
Payable to government		**1,259,026**	544,096
Advances from employees		**8,781**	-
		P161,314,988	P142,861,026

Accrued expenses include accruals for payroll, professional fees, sales and marketing, travel, and other expenses.

12. Revenue

The effect of initially applying PFRS 15 on the Company's revenue from contracts with customers is described in Note 3.

Revenue Stream
The Company currently generates revenue from importing, marketing and distributing pharmaceutical products. These products are delivered and sold to customers through sub-contracted distributors (the "Distributor"). The Distributor is billed based on the amount of consideration received from end-customers less distribution fees as specified in the contract.

The Company's products are very unique and highly specialized that target specific customers. As a strategy, these products are marketed under two (2) business units, to wit:

Critical Care
The Critical Care strategic business unit handles two (2) sets of products.

The first group is the IV Antibiotics which are recommended for Use in Life-threatening Infections. BSV IV Antibiotics cover both Invasive Fungal Infections through the Amphotericin Line and combats Multi-Drug Resistant Gram-Negative Bacterial Infection through the product Polymyxin B. These are very powerful drugs that can extend the lives of critically ill and infected patients.

The second group is highly specialized products which are the Immunoglobulins. These are used as passive vaccines to fight autoimmune diseases like GBS/ Lupus/ Kawasaki Disease / Aplastic Anemia and others. The business unit also market a life - saving product - Streptokinase, which is the gold standard Thrombolytic in Acute Myocardial Infarction.

Women's Health
Women's Health strategic business unit carries both pharmaceutical products and diagnostic devices towards the quality care of women from infertility, pregnancy, child birth to menopause. The business unit is further divided into two (2) sales lines. First is General Obstetrics and Gynecology that targets women under different stages; pregnancy, adulthood and menopausal period. The second is Infertility Line that after infertile couples.

Disaggregation of Revenue
Set out below is the disaggregation of the Company's revenue from contracts with customers per business unit for the years ended December 31, 2018 and 2017.

	2018	2017
Critical Care	**P267,493,052**	P84,818,206
Women's Health	**41,501,352**	3,181,930
	P308,994,404	P88,000,136

13. Cost of Sales

This account consists of:

	Note	2018	2017
Beginning inventories		**P79,265,064**	P -
Add purchases for the year		**264,002,046**	151,970,295
Available for sale		**343,267,110**	151,970,295
Less ending inventories	6	**96,153,648**	79,265,064
		P247,113,462	P72,705,231

14. Lease Agreement

The Company entered into lease agreements, to wit:

Lessor	Note	Lease Term	Start Date	Expiry Date
Anna Belinda Ramiscal	*a*	12 months	June 1, 2017	May 31, 2018
		12 months	June 1, 2018	May 31, 2019
Amberland Corporation	*b*	12 months	September 6, 2017	September 5, 2018
		12 months	September 6, 2018	September 5, 2019
		12 months	February 12, 2018	February 11, 2019

a. The Company entered into a lease agreement with Anna Belinda Ramiscal to use the office space located at Unit 3805 One San Miguel Avenue Office Condominium Corp. with an office area of 168 square meters, located at 38th floor and parking space of 12 square meters, located at 4th floor. On March 2019, the lease was renewed for another year extending until May 31, 2020.

   The lease agreement for office space required the Company to pay security deposits which are shown under "Prepayments and other current assets" account in the statements of financial position amounting to P127,000 and nil as at December 31, 2018 and 2017, respectively (see Note 7).

b. The Company also entered a lease agreement with Amberland Corporation to use three (3) parking slots with an area of 12.50 square meters each more or less, located at the 4th floor of One San Miguel Avenue Condominium. The lease agreement is effective until September 5, 2019.

   On February 11, 2018, the company has entered another lease agreement with Amberland Corporation to use a parking slot with an area of 12.50 square meters, located at the 4th floor of One San Miguel Avenue Condominium. On January 2019, the lease was renewed for another year extending until February 11, 2020.

Total rent expense for the years ended December 31, 2018 and 2017 amounted to P943,211 and P777,111, respectively.

The future minimum lease payments under the lease agreements as at December 31 are as follows:

	2018	2017
Less than one year	**P704,000**	P726,000
More than one year and less than five years	**-**	302,500
	P704,000	P1,028,500

The BOD oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The following information discusses the Company's exposure to each of the above risk and the objectives, policies and processes for measuring and managing risks.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows from the Company's foreign-currency denominated assets or liabilities may fluctuate due to changes in foreign exchange rates.

The Company's exposure to foreign currency risk relates primarily to movements of the Philippine Peso against the United States dollar (US dollar). To manage this risk, the Company closely monitors the movements in the exchange rates and regularly assessed future foreign exchange rate movements.

The Company's outstanding dollar-denominated trade payables and due to related parties as at December 31 and its Philippine peso equivalent are as follows:

	US Dollar	Peso
2018	**$3,987,822**	**P209,679,681**
2017	2,789,044	139,229,099

Spot rate as at December 31, 2018 and 2017 is P52.58 and P49.92, respectively. Net foreign exchange gain (loss) amounted to (P15,314,353) and P4,169,156 in 2018 and 2017, respectively.

Sensitivity Analysis
The following table demonstrates the sensitivity to a reasonably possible change in exchange rates of Philippine Peso against US Dollar, with all other variables held constant.

	Increase/Decrease in Exchange Rate	Effect on Income (Loss) before Tax	Effect in Equity
2018	**+5.33%**	**(P11,175,927)**	**(P7,823,149)**
	-5.33%	**11,175,927**	**7,823,149**
2017	+0.40%	(556,916)	(389,841)
	-0.40%	556,916	389,841

Credit Risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash in banks and receivables. The objective is to reduce the risk of loss through default by counterparties.

The Company transacts only with recognized and creditworthy third parties with whom it has already firmly established good business relationships. It is the Company's policy that all customers who wish to contract on credit terms are subject to credit verification procedures.

With respect to credit risk arising from the Company's cash in banks and trade receivables, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Individual risk limits are set originally based on Company's evaluation of a customer's creditworthiness and is updated based on status of the accounts receivables and past collection experience.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date is as follows:

	Note	**2018**	2017
Cash in banks	*4*	**P39,574,876**	P15,040,637
Trade receivables	*5*	**56,126,965**	67,991,746
Deposits	*7*	**127,000**	
		P95,828,841	P83,032,383

Expected Credit Loss Assessment as at December 31, 2018 under PFRS 9
The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying expected credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are assessed based on delinquency and actual credit loss experience. The Company considered both historical loss rate and various forward-looking assumptions such as customer's profile, industry and other macro-economic data.

Trade Receivables
The following table provides information about the exposure to credit risk for trade receivables as at December 31, 2018:

	Gross Carrying Amount	**Impairment Loss Allowance**	**Credit-impaired**
Current (not past due)	**P39,969,714**	**P -**	No
Past due:			
1-30 days	**10,456,505**	**-**	
31-60 days	**534,500**	**-**	No
61-90 days	**807,405**	**-**	No
Over 90 days but less than a year	**4,358,841**	**-**	No
	P56,126,965	**P -**	

Loss rates are based on actual credit loss experience over three years considering circumstances at the reporting date. Any adjustment to the loss rates for forecasts of future economic conditions are not expected to be material. The Company applies the simplified approach in providing for expected credit losses prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix. The application of the expected loss rates to the receivables of the Company does not have a material impact on the financial statements.

The maturity of the Company's receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

Based on the historical default rates, the Company believes that no impairment allowance is necessary in respect of receivables past due but not impaired because such accounts relate to customers that have good payment records with the Company. The Company's exposure to credit risk on receivables are minimal since its revenues from its activities are mostly supported by a letter of credit.

Impairment of Financial assets before January 1, 2018 (Prior to PFRS 9)
The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the company deals with a large number of homogenous trade customers. The Company does not execute any credit guarantee in favor of any counterparty. The Company does not hold any collateral as security for its receivables.

Based on Company's assessment, no provision for impairment of receivables is required as at December 31, 2017 as these are collectible in full.

As at December 31, 2017, none of the financial assets are impaired nor past due.

Cash in Banks
The Company held cash in bank of P39,574,876 and P15,040,637 as at December 31, 2018 and 2017, respectively. The cash held with a bank are rated as high grade.

Impairment on cash in banks has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash in banks have low credit risk based on the external credit ratings of the counterparties and any ECL is expected to be immaterial.

The table below shows the credit quality of the Company's financial assets that are neither past due nor impaired based on their historical experience with the corresponding debtors.

	As at December 31, 2018		
	Grade A	**Grade B**	**Total**
Cash in banks	**P39,574,876**	**P -**	**P39,574,876**
Trade Receivables	**-**	**56,126,965**	**56,126,965**
Deposits		**127,000**	**127,000**
Total	**P39,574,876**	**P56,253,965**	**P95,828,841**

	As at December 31, 2017		
	Grade A	Grade B	Total
Cash in banks	P15,040,637	P -	P15,040,637
Trade receivables	-	67,991,746	67,991,746
Deposits	-	-	-
Total	P15,040,637	P67,991,746	P83,032,383

Grade A financial assets pertain to cash that are deposited in reputable banks and those financial instruments from counterparties with good financial standing or customers that consistently pay before the maturity date. Grade B includes financial assets that are collected on their due dates even without an effort from the Company to follow them up while financial assets which are collected on their due dates provided that the Company made a persistent effort to collect them are included under Grade C financial assets.

As at December 31, 2018 and 2017, there were no financial assets Graded as C.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities as they fall due.

The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The following are the contractual maturities of financial liabilities:

2018	**Carrying Amount**	**Contractual Cash Flow**	**6 Months or Less**
Trade payables and accrued expenses*	**P160,055,962**	**P160,055,962**	**P160,055,962**
Due to related parties	**72,485,597**	**72,485,597**	**72,485,597**
	P232,541,559	**P232,541,559**	**P232,541,559**

** Accrued expenses shown above exclude payable to government amounting to P1,259,026.*

2017	Carrying Amount	Contractual Cash Flow	6 Months or Less
Trade payables and accrued expenses*	P142,316,930	P142,316,930	P142,316,930
Due to related parties	14,462,786	14,462,786	14,462,786
	P156,779,716	P156,779,716	P156,779,716

** Accrued expenses shown above exclude payable to government amounting to P544,096.*

Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash in Banks

The carrying amount approximates its fair value since it can be readily withdrawn and used for operations.

Trade Receivables/Deposits/Trade Payables and Accrued Expenses/ Due to Related Parties

The carrying amounts of trade receivables, deposits, trade payables and accrued expenses (except payable to government), and due to related parties approximate their fair values due to the relatively short-term nature of these financial instruments.

Capital Management

The Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD has overall responsibility for monitoring of capital in proportion to risk. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company defines capital as total equity, which includes capital stock and retained earnings (deficit). There were no changes in the Company's approach to capital management as at December 31, 2018. The Company is not subject to externally-imposed capital requirements.

17. Supplementary Information Required under Revenue Regulation No. 15-2010 of the BIR

In addition to the disclosures mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the basic financial statements which were prepared in accordance with PFRSs. The following are the tax information required for the taxable year ended December 31, 2018:

A. VAT

	Amount
1. Output VAT	**P37,079,328**
Account title used	
Basis of the Output VAT:	
Vatable sales	**P308,994,404**
2. Input VAT	
Beginning of the year	**P4,657,390**
Current year's domestic purchases:	
a. Goods for resale	**36,304,399**
b. Goods other than for resale	**1,694,624**
Applications during the year	**2,220,364**
Total	**P44,876,777**
Balance at the end of the year	**P7,797,449**
3. Customs duties and tariff fees:	
Landed cost	**P301,672,994**
Customs duties paid or accrued	**7,554,847**
	P309,227,841

B. Withholding Taxes

	Amount
Tax on compensation and benefits	**P4,123,286**
Expanded withholding taxes	**379,236**
	P4,502,522

C. **All Other Taxes**

	Amount
Other taxes paid during the year recognized under "Taxes and licenses" account under "operating Expenses"	
License and permit fees	**P1,065,676**

D. **Deficiency Tax Assessments and Cases**

As at December 31, 2018, the Company does not have any outstanding tax assessments nor involved in any tax cases.

Information on amounts of other taxes such as customs duties, tariff fees, and excise taxes is not applicable since there are no transactions entered into by the Company that would result to payment of accrual of such taxes.

INDEPENDENT AUDITOR'S REPORT

To the Members of EUROLIFE REGEN PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **EUROLIFE REGEN PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 14 (c) in the financial statements, which indicates that the Company incurred a net loss of Rs.54,472 during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by 1,63,25,562. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

R. U. KAMATH & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

R. U. KAMATH & CO. MUMBAI

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

16. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

17. As required by the Companies (Auditor's Report) Order 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

R. U. KAMATH & CO.
MUMBAI
CHARTERED ACCOUNTANTS

18. As required by section 143 (3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-B"**

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigations which would impact its financial position.
   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R. U. KAMATH & CO.
Chartered Accountants
Firm's registration number: 104650W

R. U. KAMATH & CO. CHARTERED ACCOUNTANTS MUMBAI

R. U. Kamath
Partner
Membership number: 34431

Place: Mumbai

Date:10/07/2019

Annexure A to the Independent Auditor'sReport of even date to the members of EUROLIFE REGEN PRIVATE LIMITED, on the standalone financial statements for the year ended 31 March 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) According to information and explanation given to us, the Company does not have any fixed assets.

(b) According to information and explanation given to us, the Company does not own any immovable assets.

(ii) According to information and explanation given to us,the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) According to information and explanation given to us,the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable:

(iv) According to information and explanation given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinionand according to information and explanation provide to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) In our opinionand according to information and explanation provide to us, The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, for the business activities carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In our opinionand according to information and explanation provide to us, The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, value added tax, central sales tax, service-tax, GST, custom duty, cess and other material statutory dues, as applicable to it, with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues which were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) In our opinionand according to information and explanation provide to us, There are no material dues in respect of provident fund, employees' state insurance, income-tax, value added tax, central sales tax, service-tax, GST, custom duty, cess and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

R. U. KAMATH & CO. MUMBAI CHARTERED ACCOUNTANTS

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans during the year have been applied by the Company for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **R.U.Kamath& Co.**
Chartered Accountants
Firm Registration No:104650W

R. U. KAMATH & CO. MUMBAI CHARTERED ACCOUNTANTS

R.U.Kamath
Partner
Membership No. F-34431
Place: Mumbai
Date: 10th July, 2019

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of**EUROLIFE REGEN PRIVATE LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

R. U. KAMATH & CO. MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R.U.KAMATH & CO.
Chartered Accountants
Firm's Reg No: 104650W

R. U. KAMATH & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R.U.Kamath
Partner
M. No.034431

Place: Mumbai
Date: 10th July, 2019
UDIN NO:- 19034431AAAADX9542

Eurolife Regen Private Limited
Standalone Balance Sheet as at 31st March, 2019

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Other non-current assets	4	-	-
Current Assets			
Financial Assets;			
- Cash and cash Equivalents	5	-	57,031
TOTAL ASSETS		-	57,031
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	1,00,00,000	1,00,00,000
Other Equity	7	(2,63,25,562)	(2,62,71,090)
Total Equity		**(1,63,25,562)**	(1,62,71,090)
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Trade Payables	8	-	2,559
- Borrowings	9	1,20,00,000	1,20,00,000
Current Liabilities			
Financial Liabilities			
Other Current Liabilities	10	43,25,562	43,25,562
Total Liabilities		**1,63,25,562**	1,63,28,121
TOTAL EQUITY AND LIABILITIES		-	57,031

Significant Accounting Policies 3
The Notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath
Partner
Membership No. 034431

R. U. KAMATH & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 10 July 2019

For and on behalf of the board of directors of
Eurolife Regen Private Limited
CIN: U73100MH2013PTC251249

Bharat V Daftary
Director
DIN : 00011518

Gautam V Daftary
Director
DIN : 00009326

Place : Mumbai
Date : 10 July 2019

UDIN NO:- 19034431AAAADX9542

Eurolife Regen Private Limited
Standalone Statement of profit and loss for the year ended 31, March, 2019

(In Rupees)

Particulars	Note	Year Ended 31 March 2019	Year ended 31 March 2018
Income			
Other Income	11	2,559	-
Total Income		2,559	-
Expenses			
Finance Costs	12	27,531	13,20,000
Other Expenses	13	29,500	4,70,626
Total Expenses		57,031	17,90,626
Profit Before Tax		(54,472)	(17,90,626)
Tax Expense		-	-
Profit for the year		(54,472)	(17,90,626)
Other Comprehensive Income		-	-
Total Comprehensive Income		(54,472)	(17,90,626)
Earnings Per Equity Share	14(a)		
Basic		(0.05)	(1.79)
Diluted		(0.05)	(1.79)

Significant Accounting Policies 3

The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. KAMATH & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. U. Kamath
Partner
Membership No. 034431

Place : Mumbai
Date : 10 July 2019

For and on behalf of the board of directors of
Eurolife Regen Private Limited
CIN:U73100MH2013PTC251249

Bharat V Daftary
Director
DIN : 00011518

Gautam V Daftary
Director
DIN : 00009326

Place : Mumbai
Date : 10 July 2019

Eurolife Regen Private Limited

Statement of changes in equity as at 31 March, 2019

A. Equity share capital

Particulars	Number of shares	Share Capital
Balance at April 1, 2017	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	**10,00,000**	**1,00,00,000**
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2019	**10,00,000**	**1,00,00,000**

B. Other Equity

	Reserves & Surplus	Other Comprehensive Income(OCI)	
	Retained Earnings	Remeasurements of Defined Benefit Plans	TOTAL
Balance at the beginning of the comparative reporting year	(2,44,80,464)		(2,44,80,464)
			-
Balance at the beginning of the comparative reporting Year - 1st April, 2017	**(2,44,80,464)**	-	**(2,44,80,464)**
Profit for the Comparative Year ending 31st March 2018	(17,90,626)	-	(17,90,626)
Other Comprehensive Income for the Comparative Year ending 31st March 2018		-	-
Total Comprehensive Income for the Comparative Year	**(17,90,626)**	-	**(17,90,626)**
Transfer to General Reserve			-
Balance at the end of the comparative reporting Year ending 31st March 2018	(2,62,71,090)	-	(2,62,71,090)
Profit for the Current Reporting year ending 31st March 2019	(54,472)		(54,472)
Transfer to General Reserve			-
Balance at the end of the reporting year ending 31st March 2019	**(2,63,25,562)**	-	**(2,63,25,562)**

This is the Statement of Changes in Equity referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath
Partner
Membership No. 034431

Place : Mumbai
Date : 10 July 2019

R. U. KAMATH & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Eurolife Regen Private Limited
CIN: U73100MH2013PTC251249

Bharat V Daftary
Director
DIN : 00011518

Gautam V Daftary
Director
DIN : 00009326

Place : Mumbai
Date : 10 July 2019

Eurolife Regen Private Limited
Standalone Cash Flow statement as at 31 March, 2019

(In Rupees)

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
A. **Cash Flow From Operating Activities :**				
Net Profit Before Tax		**(54,472)**		(17,90,626)
Adjustment for :				
Finance Cost (including fair value change in financial instruments)				
Sundry balance Written/back	**(2,559)**		3,83,356	
Sundry Balance Written off	-	**(2,559)**		3,83,356
Operating Profit/(Loss) Before Working Capital Changes		**(57,031)**		(14,07,270)
Other Assets				
Other liabilities	-	-	12,95,000	12,95,000
Cash Generated From Operations		**(57,031)**		(1,12,270)
Direct Taxes paid				
Net Cash From Operating Activities		**(57,031)**		(1,12,270)
B. **Cash Flow From Investing Activities**				
Net Cash Used In Investing Activities				
C. **Cash Flow From Financing Activities**				
Net Cash From Financing Activities		-		-
Net Increase/(Decrease) In Cash And Cash Equivalents		**(57,031)**		**(1,12,270)**
Cash And Cash Equivalents as at 31st March, 2018		**57,031**		1,69,301
Cash And Cash Equivalents as at 31st March, 2019		-		57,031
Cash and Cash Equivalents (Note 9)		-		57,031

Notes to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

This is the Cash Flow statement referred to in our report of even date

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath
Partner
Membership No. 034431

Place : Mumbai
Date : 10 July 2019

R. U. KAMATH & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Eurolife Regen Private Limited
CIN:U73100MH2013PTC251249

Bharat V Daftary
Director
DIN : 00011518

Gautam V Daftary
Director
DIN : 00009326

Place : Mumbai
Date : 10 July 2019

Eurolife Regen Private Limited

Notes to the Standalone IND AS Financial Statements

for the year ended 31 March 2019

Currency in Indian Rupees

1) General information

Eurolife Regen Private Limited (the Company) is a private limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) Summary of significant accounting policies

Basis of preparation of standalone Ind AS Financial statements ("financial statements")

a) Statement of compliance

The financial statements of the Company as at and for the year ended 31 March, 2019 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees

Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2B.** Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) Expected to be realised or intended to sold or consumed in normal operating cycle,

ii) Held primarily for the purpose of trading,

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period

Eurolife Regen Private Limited

Notes to the Standalone IND AS Financial Statements

for the year ended 31 March 2019

Currency in Indian Rupees

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

a) Property, plant and equipment ("PPE")

I) Recognition and Measurement

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii) If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

iii) Any gain or loss on disposal of an item of property plant and equipment is recognised in statement of profit and loss.

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

II) Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) Depreciation and Amortisation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use /(disposed of). Freehold land is not depreciated.

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Notes to the Standalone IND AS Financial Statements

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Currency in Indian Rupees

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) Intangible Assets:

I) Recognition and measurement

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

III) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

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The estimated useful lives for current and comparative periods are as follows:

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) ***Operating leases***

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

d) ***Impairment of non-financial assets***

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) ***Government grants and subsidies***

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

f) ***Financial instruments***

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

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f) Financial Instruments *(continued)*

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

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Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when it terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) ***Equity instruments***

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) ***Borrowing costs***

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) ***Investments***

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) ***Inventories***

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) ***Revenue recognition***

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Revenue from product sales is stated net of returns, tax and applicable trade discounts and allowances. Revenue from product sales includes excise duty, wherever applicable. Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns

Income from Services

The Company provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

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1) Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2) *Retirement and other employee benefits*

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme and post-employment medical benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in

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employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3) Income taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates {and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the

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Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset ca n be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m) Segment reporting

Identification of segments

The Company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

q) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

r) Provisions, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

s) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

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t) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance costs and tax expense.

2B Key Accounting Estimates and Judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in **Note 2A** to the standalone financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

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c. **Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. **Estimation of useful life**

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. **Provisions and contingent liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. **Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note

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g. **Defined Benefit Plans:**

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. **Provision for anticipated sales return:**

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i. **Biological Assets**

Management uses inputs relating to production and market prices in determining the fair value biological assets.

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Notes to standalone IND As financial statement as at 31 March, 2019

Note 4 Other Assets

Particulars	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Others				
Balance with statutory authorities				
Advances recoverable in cash or kind				
Prepaid Expenses				
Total	-	-	-	-

Note 5 Cash and Cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks (of the nature of cash and cash equivalents)	-	57,031
Total		57,031

Eurolife Regen Private Limited

Statement of changes in equity as at 31 March, 2019

Note 6 Equity share Capital

(In Rupees)

	As at 31 March 2019	As at 31 March 2018
	Amount	Amount
Equity Share Capital	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Authorised Share Capital	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
Issued, subscribed and fully paid up	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitle to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Fully paid equity shares

Particulars	Number of shares	Share Capital
Balance at April 1, 2017	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2019	10,00,000	1,00,00,000

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2019		As at 31 March 2018	
	No.	%	No.	%
Bharat Serums and Vaccines Limited*	10,00,000	100.00%	10,00,000	100.00%
Kasiak Research Private Limited was the holding company which got amalgamated with Bharat Serums and Vaccines Limited				

Note 7 Other Equity

(In Rupees)

	As at 31 March 2019	As at 31 March 2018
Retained Earnings		
Balance at beginning of year	(2,62,71,090)	(2,44,80,464)
Add/ (less): Profit/ (loss) for the year	(54,472)	(17,90,626)
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	-	-
Add: Ind AS Transition Reserves	-	-
Add/ (less): Transfer to General Reserve	-	-
Add/ (less): Transfer from Revaluation reserve	-	-
Add/ (less): Transfer from Deffered tax	-	-
Balance at end of the year	(2,63,25,562)	(2,62,71,090)

Eurolife Regen Private Limited
Notes to Standalone IND AS Financial Statement as at 31 March, 2019

Note 8 Tarde Payables

Particulars	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Outstanding due of Micro and Small Enterprises	-	-	-	
Outstanding due of Creditors other than Micro and Small Enterprises		2,559		
Total	-	2,559	-	-

Note 9 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Non Current		
Unsecured		
Loans repayable on demand		
- from Holding company	1,20,00,000	1,20,00,000
Total	**1,20,00,000**	1,20,00,000

Note 10 Other Liabilities

Particulars	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Retention Money				
Liabilities for expenses			4,69,776	4,69,776
Interest Accrued and due on Borrowings			38,55,786	38,55,786
Total	-	-	**43,25,562**	43,25,562

Eurolife Regen Private Limited

Notes to Standalone IND AS Financial Statement as at 31 March, 2019

Note 11 Other Income (In Rupees)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Other Non-Operating Income:		
Sundry Balance written back	2,559	
Total	2,559	-

Note 12 Finance Costs (In Rupees)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Bank charges	27,531	
Interest on Others	-	13,20,000
Total	27,531	13,20,000

Eurolife Regen Private Limited

Notes to Standalone IND As Financial Statement as at 31 March, 2019

Note 13 Other Expenses **(In Rupees)**

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Rates and Taxes		20,000
Travelling and Conveyance		20,000
Audit fee	29,500	29,500
Sundry Balance Written off		3,83,356
Miscellaneous Expenses		17,770
Total	**29,500**	**4,70,626**

Eurolife Regen Private Limited
Notes to Standalone IND AS Financial Statement as at 31 March, 2019

NOTE 14
ADDITIONAL/EXPLANATORY INFORMATION

a) **Earnings Per Share**
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars		For the year ended 31-March 2019	For the year ended 31-March-2018
Profit after taxation	In Rupees	(54,472)	(17,90,626)
Number of equity shares (Face Value Rs.10/-)	Nos.	10,00,000	10,00,000
Earnings per share	In Rupees	(0.05)	(1.79)

b) **Contingent Liabilitites & Commitments**
Company does not have any capital commitments and contingent liabilities at the year end.

c) The company's netwroth is fully erroded as on 31st March 2019. The company's ability to continue as a going concern is complelty depend upon the financial support/ assistance by its holding company.
Company's Management is confident on getting timely financial support from its Holding company.

Eurolife Regen Private Limited

Notes to Standalone IND AS Financial Statement as at 31 March, 2019

NOTE 14

ADDITIONAL/EXPLANATORY INFORMATION

d) **Related party disclosures (As per Ind AS 24: Related Party Disclosures) :**

(a) Names of related parties and nature of relationship where control exists are as under:

(b) Names of other related parties and nature of relationship:

Holding Company — Bharat Serums and Vaccines Limited

(c) Transactions with related parties (excluding reimbursements)

Nature of Transactions

		Transactions		Outstanding Payable/(Receivable)	
		Year Ended 31-Mar-19	Year Ended 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
i)	Holding Company				
	Interst on ICD		13,20,000	38,55,786	38,55,786
	ICD			1,20,00,000	1,20,00,000
	Others			4,40,276	4,40,276

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Eurolife Regen Private Limited
Notes to Standalone IND AS Financial Statement as at 31 March, 2019

Note 15
Financial instruments – Fair values

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31,2019 including their levels are presented below.

Particulars			Carrying amount					Fair value	
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Cash and cash equivalents	5			-	-			-	-
		-	-	-	-	-	-	-	-
Financial liabilities									
Borrowings	5			1,20,00,000	1,20,00,000			1,20,00,000	1,20,00,000
Trade Payables	8			-	-	-	-	-	-
		-	-	1,20,00,000	1,20,00,000	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31,2019 including their levels are presented below.

Particulars	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Cash and cash equivalents	5			57,031	57,031	-	-	57,031	57,031
		-	-	57,031	57,031	-	-	57,031	57,031
Financial liabilities									
Borrowings	5			1,20,00,000	1,20,00,000			1,20,00,000	1,20,00,000
Trade Payables	4	-	-	-	-	-	-	-	-
		-	-	1,20,00,000	1,20,00,000	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31,2018 including their levels are presented below.

Particulars	Carrying amount					Fair value			
	Note No.	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs	Total
Financial assets									
Cash and cash equivalents	5			1,69,301	1,69,301	-	-	1,69,301	1,69,301
		-	-	1,69,301	1,69,301	-	-	1,69,301	1,69,301
Financial liabilities									
Borrowings	5	-	-	1,20,00,000	1,20,00,000	-		1,20,00,000	1,20,00,000
Trade Payables	4			-	-		-	-	-
		-	-	1,20,00,000	1,20,00,000	-	-	1,20,00,000	1,20,00,000

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Eurolife Regen Private Limited

Notes to Standalone IND AS Financial Statement as at 31 March, 2019

Note 16

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern.

As on 31st March 2019, the entire networth of the companby is erroded, the Company's ability to continue as going concern is complelty dependes upon the financial support by holding company

(In Rupees)

Particulars	31st March 2019	31st March 2018
Total debt	1,20,00,000	1,20,00,000
Total equity	-1,63,25,562	-1,62,71,090
Debt equity ratio	**-0.74**	**-0.74**

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, and cash and short term deposits.

There are no financial assets as on 31st MArch 2019

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) **Market Risk**

Market risk Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings, investments and foreign currency receivables, payables and borrowings.

Interest Rate Risks

Interest rate risk can be either fair value interest rate or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rate. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(In Rupees)

Particulars	31-Mar-19	31-Mar-18
Fixed-rate Instruments		
Financial Liabilities	1,20,00,000	1,20,00,000

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

For R. U. Kamath & Co.
Chartered Accountants
Firm Registration Number 104650W

R. U. Kamath Co. MUMBAI CHARTERED ACCOUNTANTS

R. U. Kamath
Partner
Membership No. 034431
Place : Mumbai
Date : 10 July 2019

For and on behalf of the board of directors of
Eurolife Regen Private Limited
CIN:U73100MH2013PTC251249

Bharat V Daftary
Director
DIN : 00011518
Place : Mumbai
Date : 10 July 2019

Gautam V Daftary
Director
DIN : 00009326

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Independent Auditor's Report

To The Members Of

Bharat Serums And Vaccines Limited

Report On The Audit Of The Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bharat Serums and Vaccines Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31stMarch 2019, and their consolidated Profit, their consolidated total comprehensive Income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report in the Annual Report for the year ended 31st March 2019, but does not include the consolidated financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent and its subsidiary company which is a company incorporated in India,has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information, before giving effect to the consolidation adjustments, reflect total assets of Rs. 8,424.36 lakhs as at 31st March 2019, total revenues of Rs. 17,217.69 lakhs and net cash outflow amounting to Rs. 40.04 lakhs for the year ended on that date, as considered in the consolidated financial statements, comprising;

a) total assets as at 31st March 2019, total Revenues and net cash inflow for the year ended on that date of Nil in respect of one subsidiary whose financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Independent Auditor's Report *(Continued)*

b) total assets of Rs.7,081.37 lakhs as at 31st March 2019, total revenue of Rs.13,672.16 lakhs and net cash inflow of Rs.31.31 lakhs for the year ended on that date in respect of two subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. A firm of Chartered Accountants have audited these conversion adjustments made by the Parent's Management and issued their Independent Fit-For-Consolidation Report ("FFC") thereon. Our opinion in so far as it relates to the amounts and disclosures in respect of these subsidiaries located outside India and our report in terms of subsection (3) of Section 143 o f the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors and FFC Reports for the conversion adjustments made by the management of the Parent.

c) total assets of Rs.1,342.99 lakhs as at 31st March 2019, total revenues of Rs.3,545.53 lakhs and net cash outflow amounting to Rs.71.35 lakhs for the year ended on that date in respect of one subsidiary located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries, whose reporting date is 31st December, 2018 which is different from the reporting date of the Parent. In terms of Indian Accounting Standard 110, adjustments have been made for significant transactions of these subsidiaries for the periods from 1st January 2019 to 31st March2019 and 1st January 2018 to31st March 2018, on the basis of their management accounts for the said periods. The Parent's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. A firm of Chartered Accountants have audited these conversion adjustments made by the Parent's Management and issued their Independent Fit-For-Consolidation Report ("FFC") thereon. Our opinion in so far as it relates to the amounts and disclosures in respect of this subsidiary located outside India and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of other auditors and FFC Reports for the conversion adjustments made by the management of the Parent.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March 2019 taken on record by the Board of Directors of the Parent and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2019 from being as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 28 to the consolidated financial statements;

   ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Manoj H. Dama
Partner
Membership No. 107723
UDIN : 19107723AAACL3269

Place: Mumbai
Date: 30th July 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Bharat Serums and Vaccines Limited

(Referred to in paragraph 1(f)under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Bharat Serums and Vaccines Limited (hereinafter referred as "Parent")and its subsidiary company, which isa company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, which isa company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companiesconsidering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and, its subsidiary company which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matter paragraph below, the Parent and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Manoj H. Dama
Partner
Membership No. 107723
UDIN : 19107723AAACL3269

Place: Mumbai
Date: 30th July 2019

Consolidated Balance Sheet (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	As at 31 March 2019	As at 31 March 2018
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	18,518.80	14,211.41
	(b) Capital work in progress	3	739.04	4,890.10
	(c) Biological assets other than bearer plants	4	79.41	77.35
	(d) Intangible assets	5	6,473.16	7,564.51
	(e) Intangible assets under development	5	779.88	674.48
	(f) Financial assets			
	(i) Loans	6A	913.02	513.32
	(ii) Other financial assets	7A	118.98	156.91
	(g) Deferred tax assets	8C	651.85	2,127.87
	(h) Non current tax assets (net)	8D	341.52	652.46
	(i) Other non - current assets	9A	568.92	713.65
	Total non-current assets		**29,184.58**	**31,582.06**
2	**Current assets**			
	(a) Inventories	10	17,015.68	14,314.53
	(b) Financial assets			
	(i) Trade receivables	11	16,165.42	14,590.77
	(ii) Cash and cash equivalents	12	2,118.78	1,121.33
	(iii) Bank balances other than (ii) above	12A	381.66	209.84
	(iv) Loans	6B	1,373.35	1,324.45
	(v) Other financial assets	7B	28.10	77.85
	(c) Other current assets	9B	4,338.54	4,525.21
	Total current assets		**41,421.53**	**36,163.98**
	Total Assets		**70,606.11**	**67,746.04**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	13.1	941.97	936.76
	(b) Convertible cumulative preference shares	13.2	100.13	100.13
	(c) Other equity	13A	47,894.68	36,927.86
	Total equity		**48,936.78**	**37,964.75**
2	**Liabilities**			
2a	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14A	3,587.91	4,760.92
	(b) Other non - current liabilities	16A	528.61	456.73
	(c) Provisions	17A	2,012.02	1,314.28
	Total non-current liabilities		**6,128.54**	**6,531.93**

Consolidated Balance Sheet (Continued) (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	Year ended 31 March 2019	Year ended 31 March 2018
2b	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14B	544.95	7,796.43
	(ii) Trade payables	18		
	Total outstanding dues of micro enterprises and small enterprises		43.38	13.38
	Total outstanding dues other than micro enterprises and small enterprises		7,027.23	5,944.86
	(iii) Other financial liabilities	15A	4,866.53	6,297.37
	(b) Other current liabilities	16B	1,064.69	730.33
	(c) Provisions	17B	1,706.45	1,826.15
	(d) Current tax liabilities (Net)	8D	287.56	640.84
	Total current liabilities		**15,540.79**	**23,249.36**
	Total Equity and liabilities		**70,606.11**	**67,746.04**

Significant accounting policies 2
Notes to Consolidated IND AS financial statements 1-43
The accompanying notes are an integral part of these financial statements.
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

Sd/-
Manoj H. Dama
Partner

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Place: Mumbai
Date: 30th July 2019

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Consolidated Statement of Profit and Loss (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

		Note No.	Year ended 31 March 2019	Year ended 31 March 2018
1	**Income**			
	(a) Revenue from Operations	19	87,791.94	74,564.00
	(b) Other Income	20	690.14	1,383.79
	Total Income		**88,482.08**	**75,947.79**
2	**Expenses**			
	(a) Cost of materials consumed	21	21,417.08	17,917.65
	(b) Purchases of stock-in-trade	22	9,709.73	7,467.74
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	23	(2,329.76)	159.42
	(d) Employee benefits expense	24	15,631.34	13,923.07
	(e) Other expenses	25	25,342.45	22,122.48
	Total expenses		**69,770.84**	**61,590.36**
3	**Earnings before interest, tax, depreciation & amortisation (EBITDA)(1-2)**		**18,711.24**	**14,357.43**
	(a) Finance costs	26	1,001.77	1,417.98
	(b) Depreciation and amortisation expense	27	2,646.21	2,986.55
4	**Profit before tax**		**15,063.26**	**9,952.90**
5	**Tax expense**	8		
	Current tax		3,240.09	2,024.68
	Deferred tax (net)		1,447.26	(108.26)
	Deferred tax pertaining to earlier years		-	99.04
	Total tax expenses		**4,687.35**	**2,015.46**
6	**Profit for the year**		**10,375.91**	**7,937.44**
7	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefits plans	24A	83.11	28.45
	(b) Income Tax on remeasurements of defined benefit plans	8A	(28.76)	(9.85)
	(ii) Items that will be reclassified to profit or loss			
	(a) Foreign Currency Translation difference of Foreign operations		381.05	264.52
	Other Comprehensive Income for the year, net of income tax		**435.40**	**283.12**
8	**Total Comprehensive Incmoe for the year (6) + (7)**		**10,811.31**	**8,220.56**
9	**Earnings per equity share (in Rupees) : Face value of Rs. 5 each :**			
	Basic	32	50.03	38.27
	Diluted		50.03	38.27

Significant accounting policies 2

Notes to Consolidated IND AS financial statements 1-43

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Statement of changes in equity (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

		As at 31 March 2019		As at 31 March 2018	
		Numbers	Amount	Numbers	Amount
A	**Equity share capital**				
	Balance at the beginning of the reporting period	18,735,013	936.76	18,735,013	936.76
	Changes in equity share capital during the year	104,221	5.21	-	-
	Balance at the end of the reporting period	**18,839,234**	**941.97**	**18,735,013**	**936.76**

		As at 31 March 2019		As at 31 March 2018	
		Numbers	Amount	Numbers	Amount
B	**Convertible cumulative Preference shares**				
	Balance at the beginning of the reporting period	2,002,507	100.13	2,002,507	100.13
	Changes in Preference share capital during the year	-	-	-	-
	Balance at the end of the reporting period	**2,002,507**	**100.13**	**2,002,507**	**100.13**

		Reserves and Surplus						Items of OCI Foreign currency translation reserve	Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Equity Component of compound financial instrument	Retained Earnings		
C	**Other equity**								
	Balance as at 31 March 2017	**(2,554.81)**	**48.05**	**10,572.19**	**5,245.27**	-	**15,719.18**	**20,62**	**29,050.50**
	Profit for the year	-	-	-	-	-	7,937.44	-	7,937.44
	Effect of foreign exchange rate variations for current year	-	-	-	-	-	-	264.52	264.52
	Other comprehensive income, net of tax	-	-	-	-	-	18.60	-	18.60
	Total Comprehensive Income for the year	-	-	-	-	-	**7,956.04**	264.52	8,220.56
	Dividend on Equity Shares	-	-	-	-	-	(257.61)	-	(257.61)
	Dividend on Preference Shares	-	-	-	-	-	(27.54)	-	(27.54)
	Dividend Distribution tax on equity shares	-	-	-	-	-	(52.44)	-	(52.44)
	Dividend Distribution tax on Preference shares	-	-	-	403.00	-	(5.61)	-	(5.61)
	Transfer to General Reserve					-	(403.00)	-	-
	Balance as at 31 March 2018	**(2,554.81)**	**48.05**	**10,572.19**	**5,648.27**	-	**22,929.02**	**285.14**	**36,927.86**
	Profit for the year	-	-	-	-	-	**10,375.91**	-	**10,375.91**
	Effect of foreign exchange rate variations for current year	-	-	-	-	-	-	**381.05**	**381.05**
	Other comprehensive income, net of tax	-	-	-	-	-	**54.35**	-	**54.35**
	Total Comprehensive Income for the year	-	-	-	-	-	**10,430.26**	**381.05**	**10,811.31**
	Dividend on Equity Shares	-	-	-	-	-	**(468.38)**	-	**(468.38)**
	Dividend on Preference Shares	-	-	-	-	-	**(50.07)**	-	**(50.07)**
	Dividend Distribution tax on equity shares	-	-	-	-		**(96.30)**	-	**(96.30)**
	Dividend Distribution tax on Preference shares				-		**(10.27)**	-	**(10.27)**
	Equity Component of compound financial instrument	-	-	-		780.53	-	-	**780.53**
	Transfer to General Reserve				403.00	-	**(403.00)**	-	-
	Balance as at 31 March 2019	**(2,554.81)**	**48.05**	**10,572.19**	**6,051.27**	**780.53**	**32,331.26**	**666.19**	**47,894.68**

Statement of changes in equity (Continued) (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

The Description of the nature and purpose of each reserve within equity:

Capital Reserve: Capital reserve represents excess of Net Assets over purchase consideration paid to acquire Kasiak Research Private Limited in the scheme of merger. (Refer Note 38)

Equity Component of compound financial instrument: The component parts of compound financial instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instruments. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using effective interest method.

Capital Redemption Reserve: Capital redemption reserve represents reserve created through transfer from general reserve to capital redemption reserve in compliance with buy back of shares

Security premium reserves: Security premium is used to record the premium received on issue of shares.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve though mandatory transfer to general reserve is not required under the Companies Act 2013.

Foreign Currency Translation Reserve : This reserve represents exchange differences arising on Account of conversion of foreign operations to Company'sfunctional currency.

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Consolidated Statement of Cash Flow (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	15,063.26	9,952.90
Adjustments for:		
Depreciation and amortisation	2,646.21	2,986.55
Profit on sale of property plant and equipment	(9.55)	(36.89)
Property plant and equipment written off	7.37	46.53
Sundry balances written off	422.97	28.19
Bad debts written off	-	0.72
Provision for doubtful debts	240.00	250.00
Provision for doubtful advance and deposits	165.33	200.00
Sundry balances written back	(35.78)	(21.73)
Unrealized foregin exchange gain on revaluation (net)	274.13	(366.72)
Finance Cost	1,001.77	1,417.98
Interest income	(106.01)	(25.10)
Operating profit before working capital changes	**19,669.70**	**14,432.44**
Working capital adjustments:		
Increase in trade payables	1,147.68	1,113.35
Increase in provisions	661.11	447.09
Increase/ (Decrease) in other financial liabilities	266.11	(1,884.78)
Increase/ (Decrease) in other liabilities	403.90	(764.01)
Increase in trade receivables	(1,772.50)	(2,779.81)
(Increase)/ Decrease in inventories	(2,701.20)	64.56
Decrease in other financial assets	36.83	27.20
Increase in Security Deposit and Loans to Employees	(560.70)	(132.22)
Increase in other assets	(378.40)	(1,191.15)
Cash generated from operations	**16,772.53**	**9,332.66**
Income taxes paid (net of refunds)	**(3,282.44)**	**(1,595.80)**
Net cash flow generated from operating activities (A)	**13,490.09**	**7736.86**
Cash flows from investing activities		
Purchase of property, plant and equipment, biological assets and	(1,898.07)	(4,164.57)
intangible assets		
Proceeds from sale of property, plant and equipment	87.73	8.77
(Placement)/ Redemption of bank deposits ,having maturity of more	(133.90)	81.60
than 3 months		
Inter-corporate deposits returned	2.00	150.00
Interest received	118.98	31.10
Net cash flow used in investing activities (B)	**(1,823.26)**	**(3,893.10)**
Cash flows from financing activities		
Proceeds from long-term borrowings	-	3,058.38
Repayment of long-term borrowings	(2,115.17)	(1,706.12)
Repayment of short-term borrowings (net)	(7,281.20)	(3,260.32)
Finance Cost Paid	(1,017.06)	(1,402.84)

Consolidated Statement of Cash Flow(Continued) (for the year ended 31 March 2019)

(Currency : Indian rupees in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend paid (and related dividend distribution tax)	(625.02)	(343.20)
Net cash flow used in financing activities (C)	**(11,038.45)**	**(3,654.10)**
Net increase in cash and cash equivalents (A+B+C)	628.38	189.66
Cash And Cash Equivalents at the beginning of the year	1,121.33	884.54
Net effect of exchange gain / (loss) on cash and cash equivalent	369.07	47.13
Cash and cash equivalents at the end of the year	**2,118.78**	**1,121.33**
Components of cash and cash equivalents		
Cash on hand	19.29	15.01
Pursuant to scheme of amalgmation **(Refer note 38)**	-	0.08
Balances with bank:		
- in current account	1,599.49	977.60
- Pursuant to scheme of amalgmation **(Refer note 38)**	-	1.58
- Term deposits with Original maturity less than 3 months	500.00	-
Cheques on hand		127.06
Cash and cash equivalents as per Balance Sheet (Refer note : 12)	**2,118.78**	**1,121.33**
Change in Liabilities arising from financing activities:		
Borrowings - Non-Current (Refer note 14A)		
- Opening Balance (including Current Portion of Long term Borrowings)	6,991.74	5,590.81
- Cash Flow	(2,115.17)	1,352.26
- Non Convertible Non Cumulative redeemable preference shares	207.97	-
- Unrealised loss on foreign currency Borrowings	162.73	48.67
- Closing Balance	**5,247.27**	**6,991.74**
Borrowings - Current (Refer note 14B)		
- Opening Balance	7,796.43	11,014.65
- Cash Flow	(7,281.20)	(3,260.32)
- Unrealised loss on foreign currency Borrowings	29.72	42.10
- Closing Balance	**544.95**	**7,796.43**

Note:

1 The Cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (IND AS 7) Statement of cash flows prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7of the Companies (Accounts) Rules, 2014

2 Purchase of Property, Plant and equipment includes movements of capital work in progress (including capital advances)

Significant accounting policies 2

Notes to Consolidated IND AS financial statements 1-43

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For and on behalf of the board of directors of Bharat Serums and Vaccines Limited
CIN : U24230MH1971PLC015134

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sd/-
Manoj H. Dama
Partner

Place: Mumbai
Date: 30th July 2019

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No : A22337

Notes to the Consolidated IND AS Financial Statements (for the year ended 31 March 2019)

1) **General information**

Bharat Serums and Vaccines Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Group is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) **Basis of preparation of Consolidated Ind AS Financial statements ("financial statements")**

a) ***Statement of compliance***

The financial statements of the Group as atand for the year ended 31 March, 2019 have beenprepared in accordance with Indian Accountingstandards ('Ind AS') notified by the Ministry ofCorporate Affairs in consultation with the NationalAdvisory Committee on Accounting Standards,under section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (IndianAccounting Standards) Rules, 2015 (as amended)and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees rounded off to the nearest lakhs except for share data and per share data, unless otherwise stated.

Basis of preparation and presentation

The preparation of financial statements inaccordance with Ind AS requires the use ofcertaincritical accounting estimates. It also requiresmanagement to exercise its judgment in the processof applying the Group's accounting policies.The areas involving a higher degree of judgmentor complexity, or areas where assumptions andestimates are significant to the financial statements are disclosed in Note 2B. Actual results could differ from those estimates. The estimates and underlyingassumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if therevision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i)Expected to be realised or intended to sold or consumed in normal operating cycle,

ii)Held primarily for the purpose of trading,

iii)Expected to be realised within twelve months after the reporting period, or

iv)Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in normal operating cycle,

ii) it is held primarily for the purpose of trading,

iii) it is due to be settled within twelve months after the reporting period

iv)there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified asnon - current assets and liabilities.

Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated, except for asset held for sale and Biological asset – measured at fair value less cost of sell.

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Parent Company and the currency of the primary economic environment in which the Parent Company operates.

Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and the entities it controls.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered.

The details of the subsidiaries consolidated are as follows

Name of Subsidiaries	Principal place of business	% of Share holding	
		March 2019	March 2018
BSV Bio Science GMBH	Germany	100	100
BSV Bio Science INC	USA	100	100
BSV Bio Science Philippines	Philippines	100	100
EurolifeReagen Private Ltd	India	100	100

(b) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

(c) **Loss of control**

When the Group losses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary, any related NCI and other component of equity. Any interest retained in the form of subsidiary is measured at fair value at the date control is lost. Any resulting gain or loss is recognised in profit or loss.

(d) **Transaction eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2A) Summary of significant accounting policies

a) ***Property, plant and equipment ("PPE")***

I) **Recognition and Measurement**

i) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

ii) If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

iii) Any gain or loss on disposal of an item of property plant and equipment is recognised in statement of profit and loss.

iv) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-currentassets.

II) **Subsequent expenditure**

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

III) **Depreciation and Amortisation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use /(disposed of). Freehold land is not depreciated.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	5 years to 60 years
Plant and Machinery/ factory equipment/ Laboratory equipment	8 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 to 15 years
Vehicles	8 years
Office Equipment's	5 years

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Group are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

b) Intangible Assets:

I) Recognition and measurement

Research and Development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Sub sequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

II) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated good will and brands, is recognised in profit or loss as incurred

III) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful lives for current and comparative periods are as follows:

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

c) ***Operating leases***

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

d) ***Impairment of non-financial assets***

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) ***Government grants and subsidies***

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

f) **Financial instruments**

Recognition initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financialassets and financial liabilities are initially recognised when the Group becomes a party to the contractualprovisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value throughprofit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading,or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transfer redor in which the Group neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferredassets are not derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liabilityexting uished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently hasa legally enforceable right to set off the amounts and it intends either to settle them on a netbas is or to realise the asset and settle the liabilitysimultaneously.

g) Equity instruments

Equity instruments issued by the Group are classified according to the substance of the contractualarrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

h) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

j) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-tradeand stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

k) Revenue recognition

Sale of goods

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Services

The Group provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Revenue from rendering of services is recognised over time where the Group satisfies the performance obligation over time or point in time where the Group satisfies the performance obligation at a point in time.

Contract Balances

Trade receivables: a receivable represents the Group's right to an amount of consideration that is unconditional.

Deferred Income: Income received where in the performance obligation is not satisfied. They are classified as contract liabilities and disclosed as Deferred Income.

Advance from customers: when a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Export Incentive

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

l) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Groupat exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following itemzs are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve. When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

m) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Group's gratuity benefit scheme is defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Other Comprehensive Income. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

n) Income taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates {and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is reasonable evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Groupis able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in whichthe Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Segment reporting

Identification of segments

The Group is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the Group is categorized under domestic sales and export sales.

p) Earnings Per Share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

q) Provisions, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

r) *Cash and cash equivalents*

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

s) *Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)*

The Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization, finance costs and tax expense.

2B) Key Accounting Estimates and Judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in Note 2Ato the Consolidated financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Group.

c. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

d. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

e. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note.

g. Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

i Biological Assets

Management uses inputs relating to production and market prices in determining the fair value biological assets.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

3 Property, Plant and Equipment and capital work in progress

Particulars	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improvements	Total
At deemed cost/ cost									
Balance as at 31 March 2017	**218.65**	**198.31**	**6,018.68**	**6,942.14**	**288.62**	**303.93**	**243.79**	**586.97**	**14,801.09**
Additions	-	-	466.63	2,477.67	51.67	101.94	14.73	2.43	**3,115.07**
Disposals	-	-	-	75.43	5.64	17.51	27.76	21.06	**147.40**
Foreign Currency Translation adjustments	14.29	-	187.84	187.42	4.08	2.79	-	-	**396.42**
Balance as at 31 March 2018	**232.94**	**198.31**	**6,673.15**	**9,531.80**	**338.73**	**391.15**	**230.76**	**568.34**	**18,165.19**
Additions	-	-	1,373.27	4,098.34	100.29	69.25	227.93	1.57	**5,870.65**
Disposals	-	-	-	129.21	3.88	0.36	142.61	-	**276.06**
Foreign Currency Translation adjustments	(3.89)	-	(85.92)	(76.03)	(0.08)	(0.87)	-	0.05	**(166.74)**
Balance as at 31 March 2019	**229.05**	**198.31**	**7,960.50**	**13,424.90**	**435.06**	**459.17**	**316.08**	**569.96**	**23,593.03**
Depreciation									
Balance as at 31 March 2017	-	2.41	424.37	1,208.99	64.71	130.52	59.82	169.85	**2,060.67**
Depreciation expense	-	2.40	231.10	1,288.51	48.31	84.73	27.46	153.62	**1,836.13**
Disposals	-	-	-	70.04	2.88	7.65	25.62	18.37	**124.56**
Foreign currency translation reserve	-	-	80.72	99.28	0.40	0.93	-	0.20	**181.53**
Balance as at 31 March 2018	-	**4.81**	**736.19**	**2,526.74**	**110.54**	**208.53**	**61.66**	**305.30**	**3,953.77**
Depreciation expense	-	2.40	266.74	808.66	46.80	77.09	31.62	150.40	**1,383.71**
Disposals	-	-	-	118.16	3.70	0.36	75.70	-	**197.92**
Foreign currency translation reserve	-	-	(27.92)	(36.74)	(0.39)	(0.32)	-	0.04	**(65.33)**
Balance as at 31 March 2019	-	**7.21**	**975.01**	**3,180.50**	**153.25**	**284.94**	17.58	**455.74**	**5,074.23**
Balance as at 31 March 2018	232.94	193.50	5,936.96	7,005.06	228.19	182.62	169.10	263.04	**14,211.41**
Balance as at 31 March 2019	**229.05**	**191.10**	**6,985.49**	**10,244.40**	**281.81**	**174.23**	**298.50**	**114.22**	**18,518.80**
Capital work-in-progress									
Balance as at 31 March 2018	-	-	1,892.01	2,925.83	71.79	0.47	-	-	**4,890.10**
Balance as at 31 March 2019	-	-	**352.58**	**371.41**	**13.61**	**1.44**	-	-	**739.04**

3.1 Building includes Rs. 0.01 lakhs (31 March 18 Rs. 0.01 lakhs) representing cost of unquoted fully paid shares held in a co-operative housing society.

3.2 Freehold Land includes Rs 118.95 lakhs (31 March 18: Rs. 118.95 lakhs) held in the name of directors, on behalf of the company. The freehold land include land costing Rs. 89.26 lakhs (31 March 18 Rs. 89.26 lakhs) of which certain portion of land is contended as forest land by the forest department, however, the company has been legally advised that the contention of forest department is not tenable.

3.3 The Group has exercised the exemption/option given under para D13AA of Ind As 101 - First-time Adoption of Indian Accounting Standards, as per this option the Group will continue the policy of recognising the exchange differences on long term foreign currency monetary items as per paragraph 46/46A of AS 11 and as per this the amount of such exchange (gain) / loss for the financial year ended 31 march 2019 aggregating Rs. 16.06 lakhs (31 March 2018 aggregating Rs. 1.14 lakhs) has been capitalised to the specifically identifiable asset.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

3 Property, Plant and Equipment and capital work in progress (Continued)
Notes

3.4 Assets taken on finance lease :

Particulars	Plant and machinery		Furniture and fixtures		Office equipment		Leasehold Improvement	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Gross block	**842.37**	**341.85**	**72.28**	**72.28**	**26.13**	**26.13**	**534.47**	**534.47**
Additions during the year	-	500.52	-	-	-	-	-	-
Depreciation charge for the year	1.63	545.19	10.28	13.86	3.53	6.48	142.97	142.97
Accumulated depreciation	826.60	824.97	42.84	32.56	21.89	18.36	428.91	285.94
Net block value	**15.77**	**17.40**	**29.44**	**39.72**	**4.24**	**7.77**	**105.56**	**248.53**

3.5 Refer note 14 on borrowings, for the details related to charge on Property, plant and equipment of the group.

3.6 Capital work in progress comprises expenditure in respect of various plants in the course of construction. Total amount of capital work in progress is Rs 739.04 lakhs as at 31 March 2019 (31 March 2018: Rs 4890.10 lakhs). This amount also includes capitalised borrowing costs related to the construction of various plants of Rs. 12.69 lakhs (For the year ended 31 March 2018: Rs. 41.51 Lakhs).

3.7 For Research & Development addition, refer note 31

4 Biological Assets other than bearer plants

Particulars	Livestocks	
	Quantity	Amount
Balance as at 31 March 2017	876	108.76
Purchases	18	2.49
Disposals	(228)	(26.98)
Change in fair value less cost to sell	-	(6.92)
Balance as at 31 March 2018	**666**	**77.35**
Purchases	103	15.85
Disposals	(96)	(7.80)
Change in fair value less cost to sell	-	(5.99)
Balance as at 31 March 2019	**673**	**79.41**

Notes

4.1 Measurement of fair value

The Group's biological assets comprises of livestocks (ponies). Livestock is measured at fair value less costs to sell, with any resulting gain or loss recognized in the statement of profit and loss

i) Fair Value hierarchy

The fair value measurements for livestocks has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii) Level 3 Fair values

The following table shows a break down of the total losses recognised in respect Level 3 fair values-

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

Particulars	31-March-19	31-March-18
Loss included in statement of profit and loss	**5.99**	6.92

iii) Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value Measurement / Sensitivity Analysis
Livestocks (ponies)	Cost approach and expected depletion in value	Estimated feeding cost/ producing ponies	Estimate feeding cost/ producing poines increase by 1% would reduce the fair valuation by Rs 0.06 lakhs and Rs 0.07 lakhs as of 31 March 2019 and 2018 respectively
		Discount rate	Discount rate increase by 1% would reduce the fair valuation by Rs 0.84 lakhs and Rs 0.66 lakhs as of 31 March 2019 and 2018 respectively.

4.2 Risk Management strategies related to its activities

The Group is exposed to the following risks relating to its activities:

i) Regulatory and environmental risks

The Group is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same

ii) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and volume of plasma.

iii) Climate and other risks

The Group's livestock is exposed to risk of adverse climatic conditions and diseases etc. The Group has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestocks.

5 Intangible assets

Particulars	Computer Software	Patents	Technical known-how	Total
At Deemed Cost/ cost				
Balance as at 31 March 2017	455.28	59.41	5,794.59	6,309.28
Additions	134.90	-	3343.05	3,477.95
Disposals	0.30	-	-	0.30
Foreign currency translation reserve	6.53	-	-	6.53
Balance as at 31 March 2018	**596.41**	**59.41**	**9,137.64**	**9,793.46**
Additions	167.32	-	-	167.32
Disposals	-	-	-	-
Foreign currency translation reserve	(4.40)	-	-	(4.40)
Balance as at 31 March 2019	**759.33**	**59.41**	**9,137.64**	**9,956.38**
Amortisation				
Balance as at 31 March 2017	**194.66**	**12.44**	**874.86**	**1,081.96**
Amortisation expenses	193.04	8.19	942.27	1,143.50
Disposals	0.04	-	-	0.04
Foreign currency translation reserve	3.50	-	-	3.50

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

5 Intangible assets (Continued)

Particulars	Computer Software	Patents	Technical known-how	Total
Balance as at 31 March 2018	**391.16**	**20.63**	**1,817.13**	**2,228.92**
Amortisation expenses	122.75	8.23	1,125.53	1,256.51
Disposals	-	-	-	-
Foreign currency translation reserve	(2.25)	-	-	(2.25)
Balance as at 31 March 2019	**511.66**	**28.86**	**2,942.66**	**3,483.18**
Carrying Amount				
Balance as at 31 March 2018	205.22	38.78	7,320.51	7,564.51
Balance as at 31 March 2019	**247.63**	**30.55**	**6,194.98**	**6,473.16**
Intangible assets under development				
Balance as at 31 March 2018	108.42	18.08	547.98	674.48
Balance as at 31 March 2019	**144.16**	**18.08**	**617.64**	**779.88**

Notes

5.1 Intangible assets under development comprises expenditure in respect of various projects. Total amount of intangible assets under development is Rs. 779.88 lakhs as at 31 March 2019 (Rs 674.48 lakhs as at 31 March 2018)

6 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
6ANon-current		
(Unsecured, Considered Good, unless otherwise stated) Loans to employees	27.07	19.46
Security Deposits	885.95	493.86
Non-current total	**913.02**	**513.32**
6BCurrent		
(Unsecured, Considered Good, unless otherwise stated)	897.00	899.00
Inter-corporate deposits (refer note 6.1 below)- Secured		
Security Deposits		
- Considered good	459.19	412.25
- Considered doubtful	347.00	217.00
Less : Provision for doubtful deposits	(347.00))	(217.00)
Loans to employees	17.16	13.20
Current total	**1,373.35**	**1,324.45**
Total	**2,286.37**	**1,837.77**

Notes

6.1 Secured by pledge of shares and personal guarantee by all directors in the respective companies and are given for business purpose

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

7 Other Financial Assets

Particulars	As at 31 March 2019	As at 31 March 2018
7ANon-current		
(Unsecured, Considered Good unless otherwise stated)		
Margin money deposits with maturity beyond 12 months (Refer note 7.1 below)	118.98	156.91
Non-current total	118.98	156.91
7BCurrent		
(Unsecured, Considered Good unless otherwise stated)		
Interest on Deposits, accrued but not due	28.09	41.06
Other receivables	0.01	36.79
Current total	28.10	77.85
Total	147.08	234.76

7.1Margin money deposits of Rs 118.98 lakha (31 March 2018: Rs 156.91 lakhs) are under lien with the government tender.

8 Income Taxes

A) Components of Income Tax Expenses

i) Amounts recognised in profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current year tax	3,240.09	2,024.68
	3,240.09	**2,024.68**
Deferred tax		
Minimum Alternate Tax (MAT) credit entilement	1,363.36	271.95
MAT entitlement credit of earlier years written off	-	321.99
Origination and reversal of temporary differences	83.90	(702.20)
	1,447.26	**(108.26)**
Deferred tax pertaining to earlier years		99.04
Tax expense for the year	**4,687.35**	**2,015.46**

(ii) Amount recognised in other comprehensive income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expenses)/ benefit	Net of tax	Before tax	Tax (expenses)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plan	**83.11**	**(28.76)**	**54.35**	**28.45**	**(9.85)**	**18.60**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

8 Income Taxes (Continued)

(B) Reconciliation of effective tax rate

	%	For the year ended 31 March 2019	%	For the year ended 31 March 2018
Profit before tax		15,063.26		9,952.90
Tax using the Company's statutory tax rate	34.94%	5,263.10	34.61%	3.444.70
Increase in tax rate				
Tax effect of :				
Additional allowances under income tax in respect of Section 35 (2AB)	-3.90%	(587.52)	-5.1%	(506.02)
Donation	0.60%	90.82	0.4%	39.25
Utilisation of unrecognised tax losses of Kasiak Research Private	0.00%	-	10.5%	(1.042.11)
Limited on amalgamation (Refer note 38)				
Others	-0.52%	(79.05)	0.8%	(79.64)
	31.1%	4,687.35	20.2%	2,015.46

C) Movement in deferred tax assets and liabilities

	31- Mar - 19			
Deferred Tax Liabilities	**Net balance 1 April 2018**	**Recognised in Profit or Loss**	**Recognised in OCI**	**Net balance 31 March 2019**
Property, Plant and equipment and Intangible asset	3,258.77	156.31	-	3,415.08
Expenditure covered by section 35 (2AB) of IT Act, 1961	229.37	16.75	-	246.12
	3,488.14	**173.06**	-	**3,661.20**
Deferred Tax Assets				
Trade Receivables	215.98	141.64	-	357.62
Employee benefits	724.61	142.51	(28.76)	838.36
MAT credit entitlement	3,918.80	(1,363.36)	-	2,555.44
Others	756.62	(194.99)	-	561.63
	5,616.01	**(1,274.20)**	**(28.76)**	**4,313.05**
Net tax assets	**2,127.87**	**(1,447.26)**	**(28.76)**	**651.85**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

8 Income Taxes (Continued)

C) Movement in deferred tax assets and liabilities

	31- Mar - 18			
Deferred Tax Liabilities	**Net balance 1 April 2017**	**Recognised in Profit or Loss**	**Recognised in OCI**	**Net balance 31 March 2018**
Property, Plant and equipment and Intangible assets	2,317.66	941.11	-	3,258.77
Expenditure covered by section 35 (2AB) of IT Act, 1961	1,361.02	(1,131.65)	-	229.37
	3,678.68	**(190.54)**	-	**3,488.14**
Deferred Tax Assets				
Trade Receivables	58.17	157.81	-	215.98
Employee benefits	605.19	129.27	(9.85)	724.61
MAT credit entitlement	4,512.74	(593.94)	-	3,918.80
Others	631.08	125.54	-	756.62
	5,807.18	**(181.32)**	**(9.85)**	**5,616.01**
Net tax assets	**2,128.50**	**9.22**	**(9.85)**	**2,127.87**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company has carry forward amount of MAT of Rs. 2555.44 lakhs as at 31 March 2019 ; Rs 3918.80 lakhs as at 31 March 2018.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

D) Tax assets and liabilities

	As at 31 March 2019	**As at 31 March 2018**
Non Current tax assets (net)	341.52	652.46
Current tax liabilities (net)	287.56	640.84

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

9 Other Assets

	As at 31 March 2019	As at 31 March 2018
9A Non-current		
(Unsecured, Considered Good unless otherwise stated)		
Capital advances		
Considered good	57.75	242.83
Considered doubtful	62.95	20.90
Less: Allowance for doubtful capital advances	(62.95)	(20.90)
Balance with statutory/ Government authorities	462.48	462.48
Prepaid expenses	48.69	8.34
Non-current total	**568.92**	**713.65**
9B Current		
Unsecured, Considered Good unless otherwise stated)		
Export entitlements receivable	561.98	880.04
Advances to Suppliers (other than related party):		
Considered good	1,051.76	1279.97
Considered doubtful	123.45	130.17
Less: Allowance for bad and doubtful advances to suppliers	(123.45)	130.17
Advance to Suppliers-related parties (Refer Note 36)	3.70	-
Advance to employees for expenses	114.99	148.25
Prepaid expenses	353.86	356.90
Balance with statutory/ Government authorities	2,213.64	1,834.98
Other Assets	38.61	25.07
Current total	**4,338.64**	**4,525.21**
Total	**4,907.46**	**5,238.86**

10 Inventories

	As at 31 March 2019	As at 31 March 2018
Raw Materials	4,528.71	3,969.42
Packing materials	692.58	644.56
Work - in - Progress	5,088.77	4,403.12
Finished goods	2,769.58	2,197.09
Stock - in - trade	3,261.37	2,151.10
Stores and Spares	513.48	347.52
Goods - in - Transit		
Raw materials	161.19	598.98
Stocks - in - trade	-	2.74
Total	**17,015.68**	**14,314.53**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

10 Inventories (Continued)

Note

10.1 The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2019 is Rs.203.85 lakhs (31 March 2018: Rs.220.26 lakhs).

10.2 Refer Note 14 on Borrowings, for the details related to charge on inventories lying with the Company

11) Trade receivables

	As at 31 March 2019	As at 31 March 2018
(Unsecured)		
Considered good	16,165.42	14,590,77
Considered doubtful	490.00	250.00
Less: Allowance for expected credit loss	(490.00)	(250.00)
	16,165.42	**14,590.77**

Note

11.1 Above Trade Receivables include amount due from related parties 31 March 2019: Rs. 35.99 lakhs; (31 March 2018 Rs. 94.36 lakhs) - Refer Note 36

11.2 Refer Note 14 on Borrowings, for the details related to charge on Trade receivables.

12 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	19.29	15.09
Balances with Banks		
In current accounts	1,599.49	979.18
Term deposits with original maturity less than 3 months	500.00	-
Cheques in Hand	-	127.06
	2,118.78	**1,121.33**

12A Bank balances other than Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Term deposits with maturity exceeding 3 months and less than 12 months	381.66	209.84
	381.66	**209.84**

Note

12.1 Margin money deposits of Rs 381.66 lakhs (31 March 2018: Rs 209.84 lakhs) are under lien with the government tender.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital

13.1 Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 5/- each	19,767,800	988.39	19,767,800	988.39
Equity shares with differential voting right of Rs. 5/- each ('DVRS')	200	0.01	200	0.01
	19,768,000	**988.40**	**1,97,68,000**	**988.40**
Issued, subscribed and fully paid up				
Equity share capital				
Equity shares of Rs.5/- each	18,839,134	914.96	18,734,913	936.75
Equity shares with differential voting right of Rs. 5/- each ('DVRS')	100	0.01	100	0.01
	18,839,234	**941.97**	**18,735,013**	**936.76**

13.2 Preference Share Capital

	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Authorised				
0.01% Convertible redeemable preference shares of Rs. 5/- each ('CRPS')	920,000	46.00	920,000	46.00
0.01% Convertible cumulative preference shares of Rs. 5/- each series - I ('CCPS-I')	742,000	37.10	742,000	37.10
0.01% Convertible cumulative preference shares of Rs. 5/- each series - II ('CCPS-II')	1350,000	67.50	1350,000	67.50
0.01% Convertible cumulative preference shares of Rs. 5/- each series - III ('CCPS-III')	920,000	46.00	920,000	46.00
0.01% Convertible cumulative preference shares of Rs. 5/- each series - IV ('CCPS-IV')	400,000	20.00	400,000	20.00
	4,332,000	**216.60**	**4,332,000**	**216.60**
Issued, subscribed and fully paid up				
0.01% Convertible redeemable preference shares of Rs. 5/- each ('CRPS')	-	-	-	-
0.01% Convertible cumulative preference shares of Rs. 5/- each series - I ('CCPS-I')	714,119	35.71	714,119	35.71
0.01% Convertible cumulative preference shares of Rs. 5/- each series - II ('CCPS-II')	10	-	10	-
0.01% Convertible cumulative preference shares of Rs. 5/- each series - III ('CCPS-III')	919,243	45.96	919,243	45.96
0.01% Convertible cumulative preference shares of Rs. 5/- each series - IV ('CCPS-IV')	369,135	18.46	369,135	18.46
	2,002,507	**100.13**	**2,002,507**	**100.13**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13) Share Capital (Continued)

13.2 Preference Share Capital (Continued)

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Equity shares:				
At the beginning of the period	18,735,013	936.76	18,735,013	936.76
Add: Issue of shares (Refer Note 38)	104,221	5.21	-	-
At the end of the period	**18,839,234**	**941.97**	**18,735,013**	**936.76**

(b) Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period:

	As at 31 March 2019		As at 31 March 2018		
	No of Shares	Amount	No of Shares	Amount	
Preference shares: (Refer Note : 13 (d))					
CCPS - I					
At the beginning of the period	714,119	35.71	714,119	35.71	
Less: Conversion of CCPS I to equity shares	-	-	-	-	
At the end of the period	**714,119**	**35.71**	**714,119**	**35.71**	
CCPS - II					
At the beginning of the period	10	0.00	10	0.00	
Less: Conversion of CCPS II to equity shares	-	-	-	-	
At the end of the period	**10**	**0.00**	**10**	**0.00**	(*)
CCPS - III					
At the beginning of the period	919,243	45.96	919,243	45.96	
Less: Conversion of CCPS III to equity shares	-	-	-	-	
At the end of the period	**919,243**	**45.96**	**919,243**	**45.96**	
CCPS - IV					
At the beginning of the period	369,135	18.46	369,135	18.46	
Less: Conversion of CCPS IV to equity shares	-	-	-	-	
At the end of the period	**369,135**	**18.46**	**369,135**	**18.46**	

(*) Amount less than Rs 1000

Shares bought back (during 5 financial years immediately preceding 31 March 2019)

	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016	31 Mar 2015
Equity Shares bought back	-	-	-	**261,686**	-

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital (Continued)

13.2 Preference Share Capital (Continued)

c) Rights and terms attached to equity shares

The Group has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Group declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) 104,221 equity shares of Rs. 5/- each (March 2018: NIL) have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

(e) 19,769,917 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each (March 2018: NIL) have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years mmediately preceding the Balance Sheet date.

d) Rights and terms of conversion / redemption of Preference Shares

The Group has one class of preference shares viz. Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I, Series II, Series III and Series IV . The brief terms are as under:

Terms	CCPS
1. Face Value	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Group does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	20 years from the date of issue
4. Conversion Ratio	Each CCPS shall be converted into 1 (one) Equity Share of the Group
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Group.
6. Conversion Mechanism	1. CCPS holder needs to issue Conversion Notice to the Group along with original Share Certificate. 2. Upon receipt of Conversion Notice, Group to initiate conversion process. 3. Group to issue Equity Share Certificate within 30 days of conversion.
7. Buyback/Redemption Right	Holder has a right to get CCPS converted by the Group as per the terms of Shareholder's Agreement.
8. Compulsory Conversion	At the expiry of tenure of the CCPS

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital (Continued)

13.2 Preference Share Capital (Continued)

d) Rights and terms of conversion / redemption of Preference Shares (Continued)

Terms	CCPS
9. Liquidation Right	In the event of liquidation of the Group before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
10. Pari Passu Participation Right	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.

(e) Details of shareholders holding more than 5% shares in the Group.

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Gautam V. Daftary	3,018,745	16.02%	2,965,862	15.83%
Bharat V. Daftary	3,018,745	16.02%	2,965,862	15.83%
Bharat V. Daftary Jt. Bhavna Daftary	1,830,322	9.72%	1,830,322	9.77%
Gautam V. Daftary Jt. Aarti Daftary	1,830,322	9.72%	1,830,322	9.77%
Aarti Daftary Jt. Gautam Daftary	1,043,847	5.54%	1,043,847	5.57%
Bhavna Daftary Jt. Bharat Daftary	1,043,847	5.54%	1,043,847	5.57%
Orbimed Asia Mauritius Limited	2,075,017	11.01%	2,075,017	11.08%
Orbimed Asia II Mauritius FVCI Investments Limited	1,264,554	6.71%	1,264,554	6.75%
DVRS of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	50	50.00%	50	50.00%
Orbimed Asia II Mauritius FVCI Investments Limited	50	50.00%	50	50.00%
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund III (Kotak II)	714,119	100.00%	714,119	100.00%
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	10	100.00%	10	100.00%

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital (Continued)

(e) Details of shareholders holding more than 5% shares in the Group. (Continued)

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No of Shares	% holding in the class	No of Shares	% holding in the class
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	919,243	100%	919,243	100%
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	68,000	18.42%	68,000	18.42%
Kotak India Private Equity Fund III (Kotak II)	64,373	17.44%	64,373	17.44%
Kotak Mahindra Life Insurance Group Limited (KLI)	149,304	40.45%	149,304	40.45%
Kotak India Growth Fund III (Kotak India)	87,458	23.69%	87,458	23.69%

As per records of the Group, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

13A Other Equity

	As at 31 March 2019	As at 31 March 2018
Capital Reserve	(2,554.81)	(2,554.81)
Capital Redemption Reserve	48.05	48.05
Securities Premium Reserve	10,572.19	10,572.19
General Reserve	6,051.27	5,648.27
Equity Component of compound financial instrument	780.53	-
Foreign Currency Translation Reserve	666.19	285.14
Retained Earnings	32,331.26	22,929.02
Total	**47,894.68**	**36,927.86**

13A.1 Capital Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(2,554.81)	(2,554.81)
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**(2,554.81)**	**(2,554.81)**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital (Continued)

13A.2 Capital Redemption Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	48.05	48.05
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**48.05**	**48.05**

13A.3 Securities Premium Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	10,572.19	10,572.19
Add/(Less): Additions/ (Deductions) during the year	-	-
Closing Balance	**10,572.19**	**10,572.19**

13A.4 General Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	5,648.27	5,245.27
Add/(Less): Transfer from/ (to) Retained Earnings	403.00	403.00
Closing Balance	**6,051.27**	**5,648.27**

13A.5 Equity Component of compound financial instrument

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-	-
Add Equity Component of compound financial instrument	780.53	-
Closing Balance	**780.53**	-

13A.6 Foreign Currency Translation Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	285.14	20.62
Add: Effect of foreign exchange rate variations for current year	381.05	264.52
Closing Balance	**666.19**	**285.14**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

13 Share Capital (Continued)

13A.7 Retained Earnings

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	22,929.02	15,719.18
Add : Profit for the year	10,375.91	7,937.44
Add : Other Comprehensive Income for the year, net of tax	54.35	18.60
Less : Dividend on Equity Shares	(468.38)	(257.61)
Less : Dividend on Preference Shares	(50.07)	(27.54)
Less : Corporate Tax on Dividend	(106.57)	(58.05)
Less : Transfer to General Reserve	(403.00)	(403.00)
Closing Balance	**32.331.26**	**22,929.02**

14 Borrowings

	As at 31 March 2019	As at 31 March 2018
14A Non- Current Borrowings		
Secured:		
Term Loan		
From Banks		
-Foreign Currency Loan	3,028.69	4,755.58
-Working Capital Term Loan	1,090.97	1,135.00
-Vehicle Loan	37.14	-
Term loan from department of biotechnology	216.34	283.00
Finance lease obligations (**Refer note 30A**)	399.67	563.84
Unsecured		
Loan from Department of Science and Technology	266.49	254.32
0.01% Non Convertible Non Cumulative redeemable preference	207.97	-
shares of Rs. 5/- each ('NCNCRPS') (Refer Note 38)		
Total Non-Current Borrowings	**5,247.27**	**6,991.74**
Less : Amount disclosed under the head "Other current financial liabilities"		
- Current maturities of long-term debt	1,474.45	2,066.65
- Current maturities of finance lease obligations	184.91	164.17
Non- Current Borrowings	**3,587.91**	**4,760.92**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

14 Borrowings (Continued)

	As at 31 March 2019	As at 31 March 2018
14B Current Borrowings		
Secured		
Cash credit from banks	-	3,546.77
Buyers credit from banks	438.17	2,044.61
Packing credit foreign currency	-	650.56
Foreign bill discounting	-	947.71
Working capital demand loan	-	500.00
Loan from directors (Refer note 36)	106.78	106.78
Current Borrowings	**544.95**	**7,796.43**

Notes:-

Non-Current Borrowing

14.1 Foreign Currency Term Loans were taken from Exim bank and are secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Company situated at Ambernath Plant and office at Nariman Point. Terms of repayment are as under:

Bank Name	Rate of interest p.a	No. of installments pending	Installment Amount per quarter (Amount in USD Lakhs)	Commencement from
Exim Bank	Libor +300 BP	9	2.88	Sep-17
Exim Bank	Libor +300 BP	1	0.69	Sep-14
Exim Bank	Libor +300 BP	1	1.98	Apr-17

14.2 Term Loan taken from Exim Bank Limited is secured by way of fixed charge on entire assets of the BSV Bioscience GmbH situated at Baesweiler Germany and by Corporate Guarantee from Parent Company, Bharat Serums and Vaccines Limited and pledge of BSV Bioscience GmbH shares held by Bharat Serums and Vaccines Limited.

Bank Name	Rate of interest p.a	No. of installments pending	Installment Amount per quarter (Amount in USD Lakhs)	Commencement from
Exim Bank	6 month Euribor + 3.75%	19	75.000	Jan 18

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

14 Borrowings (Continued)

14.3 Vehicle loan of Rs. 53.91 Lakhs carries interest rate 9.25% p.a. and is repayable in 12 equal monthly installments of Rs.4.72 lakhs commencing October 2018 and Loan of Rs. 37.00 Lakhs carries interest rate 9.00% p.a. and is repayable in 12 equal monthly installments of Rs.3.24 lakhs commencing July 2018.

14.4 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal annual installments of Rs.94.30 lakhs commencing from July 2012.

14.5 Finance lease obligations are secured by leased equipments and leas hold improvements. The rate of interest implicit in finance lease is 12.07% to 15.94% p.a. for a period of 3 to 5 years

14.6 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal annual installments of Rs.65.69 lakhs and Rs.70.70 lakhs each commencing from 1 Apr 2011 for two projects .

14.7 Non Convertible Non Cumulative redeemable preference shares carries interest at the rate of 0.01% p.a. is redeemable at par on 27 March 2038.

14.8 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting & working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery and other movable assets of the Company situated at Thane factory; first pari-passu charge on the immovable assets of the Company situated at Thane Factory; and second charge on the immovable assets of the Company situated at Ambernath Plant. All these loans are repayable on demand.

14.9 Working Capital Term loan of US $ 15,60,000 (Renewal and enhancement of exisitng loan of US $ 10,00,000 in Jaunary 2018) taken during the financial year 2017-18 payable after two years at 6 month Libor +3.85% and secured by first pari passu charge of the Fixed and Current assets of the BSV Bioscience GmbH and corporate Guarantee by Parent Company, Bharat Serums and Vaccines Limited.

14.10 The cash credit carries interest of 8.55% to 10.50% p.a.

14.11 The buyers credit from banks carries average interest rate of euribor + 2.85% p.a.

14.12 Packing credit & foreign bill discounting carries average interest rate of libor + 1.50% p.a. to 2.50% p.a.

14.13 Working capital demand loan carries interest rate of 8.55% to 10.50%

14.14 The Company has not defaulted on repayment of loans and interest during the year.

15 Other financial liabilities

	As at 31 March 2019	As at 31 March 2018
15A Current		
Current maturities of long-term debt	1,474.45	2,066.65
Current maturities of finance lease obligations	184.91	164.17
Payable due to scheme of amalgmation (Refer note 38)	-	993.71
Security Deposit	1,780.65	1,787.74
Interest accrued but not due on borrowings	177.17	192.46
Salary payable	85.60	112.05
Bonus payable	256.46	250.14
Unpaid incentives	723.11	403.52
Capital creditors	184.18	300.18
Derivative Liabilities	-	26.75
Current total	**4,866.53**	**6,297.37**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

16 Other liabilities

	As at 31 March 2019	As at 31 March 2018
16A Non-Current		
Deferred income		
Licencing income	204,68	25.98
Government Grant (Refer note 41)	281.94	345.73
Concessional loan	41.99	85.02
Non-current total	**528.61**	**456.73**
16B Current		
Advances from customers	578.36	288.43
Statutory liabilities		
TDS payable	176.17	173.34
Others	197.55	139.33
Deferred income		
Profit on sale and lease back transaction	-	19.94
Licencing income	17.86	17.86
Government Grant (Refer note 41)	63.79	63.79
Concessional loan	30.86	27.64
Current total	**1,064.69**	**730.33**
	1,593.30	**1,187.06**

17 Provision

	As at 31 March 2019	As at 31 March 2018
17A Non-current		
Provision for employee benefits		
Compensated absences	948.50	722.07
Gratuity (Refer note 24)	457.19	363.23
Provision for anticipated sales returns (Refer note below)	606.33	228.98
Non-current total	**2,012.02**	**1,314.28**
17B Current		
Provision for employee benefits		
Compensated absences	894.17	846.72
Gratuity (Refer note 24)	173.06	182.86
Provision for anticipated sales returns (Refer note below)	639.22	796.57
Current total	**1,706.45**	**1,826.15**
	3,718.47	**3,140.43**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

17 Provision (Continued)

Note : Additional disclosures relating to provision for sales return : (as per Indian Accounting Standard (Ind AS 37)

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	1,025.55	928.55
Provision made during the year	1,016.57	792.85
Provision utilised during the year	(796.57)	(695.85)
Closing balance	**1,245.55**	**1,025.55**

18 Trade Payables

	As at 31 March 2019	As at 31 March 2018
Trade payables		
Due to Micro and Small Enterprises (Refer Note Below)	43.38	13.38
Other than Micro and Small Enterprises	7,027.23	5,944.86
	7,070.61	**5,958.24**

Notes

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2019	As at 31 March 2018
Principal amount and interest due:		
(I) principal amount remaining unpaid Interest due thereon remaining unpaid	43.38	13.38
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, alongwith the amount of the payment made to the supplier beyond the appointed day	0.49	0.81
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv) Amount of Interest accrued and remaining unpaid at the end of accounting year	4.69	4.35
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	4.20	3.54

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

19 Revenue from Operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of Products (A)		
(i) Finished Goods	74,726.38	64,782.37
(ii) Traded Goods	12,200.85	8,766.81
(iii) Service Income	35.80	236.84
	86,963.03	**73,786.02**
Other operating revenue (B)		
(i) Export entitlements	691.79	670.33
(ii) Others	137.12	107.65
	828.91	**777.98**
Total (A)+(B)	**87,791.94**	**74,564.00**

Note : Revenue from operations is through contract entered between customer and the group

20 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on		
- Bank deposits	31.01	25.10
- Other financial assets at amortised cost	75.00	-
Exchange gain on foreign currency fluctuations (net)	-	717.14
Profit on sale of property, plant and equipment (net)	9.55	36.89
Miscellaneous income	574.58	604.66
	690.14	**1,383.79**

21) Cost of materials consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw material consumption	19,212.53	15,833.84
Packing material consumption	2,204.55	2,083.81
Total consumption	**21,417.08**	**17,917.65**

22 Purchases of Stock-in-Trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of Stock-in-Trade.		
a. Injectables	4,710.17	4,711.78
b. Others	4,999.56	2,755.96
	9,709.73	**7,467.74**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

23 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Closing inventories (A)		
Finished goods	2,769.58	2,197.09
Work-in-progress	5,088.77	4,403.12
Stock-in-trade	3,261.37	2,151.10
Effect of foreign exchange translation reserve	(38.65)	(108.41)
	11,081.07	**8,642.90**
Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Opening inventories (B)	2,197.09	2,301.26
Finished goods	4,403.12	4,246.35
Work-in-progress	2,151.10	2,254.71
Stock-in-trade	**8,751.31**	**8,802.32**
(B)-(A)	**2,329.76**	**159.42**

24) Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	13,966.67	12,406.64
Contribution to provident funds and other funds (Refer note 24B)	855.34	775.25
Gratuity expense (Refer note 24A(i))	356.09	305.49
Employees' welfare expenses	453.24	435.69
	15,631.34	**13,923.07**

Disclosure of employee benefits as per Indian Accounting Standard (IND AS 19)

24A)Defined benefit plan:

i)Gratuity

The Group operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Group in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss
Net employee benefit expenses recognised in the employee cost

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

24 Disclosure of employee benefits as per Indian Accounting Standard (IND AS 19) (Continued)
Employee benefits expense

Particulars	Gratuity	
	31 March 2019 (Rs. in Lakhs)	31 March 2018 (Rs. in Lakhs)
Defined benefit plan		
Expenses recognised in the statement of profit and loss for the year		
Current service cost	204.53	182.52
Past service cost	-	102.02
Benefits Paid	113.82	-
Interest cost (net)	37.74	20.95
Expenses recognised in the statement of profit and loss	**356.09**	**305.49**
Remeasurements recognised in other comprehensive income		
Loss / (Gain) recognized for the period	(76.65)	(36.99)
Return on Plan Assets excluding net Interest	(6.47)	8.54
Expense / (income) recognised in other comprehensive income	**(83.11)**	**(28.45)**
Balance sheet		
Benefit assets / liabilities	**31 March 2019**	**31 March 2018**
Present value of defined benefit obligation	(1524.15)	(1,299.82)
Fair value of plan assets	893.90	753.73

Particulars	31 March 2019 (Rs. in Lakhs)	31 March 2018 (Rs. in Lakhs)
Plan asset / (liability)	**(630.25)**	**(546.09)**
Reconciliation of present value of the defined benefit obligation :		
Opening defined benefit obligation	1299.82	1117.38
Current service cost	204.53	182.52
Past service cost	0.00	102.02
Interest cost	96.45	70.02
Benefits paid	0.00	(135.13)
Actuarial (gains) / losses recognised in other comprehensive income	(76.65)	(36.99)
Closing defined benefit obligation	**1,524.15**	**1299.82**
Reconciliation of present value of plan assets :		
Opening fair value of plan assets	753.73	758.31
Return on plan assets recognised in other comprehensive income	6.47	(8.54)
Interest Income	58.70	49.09
Contributions by employer	75.00	90.00
Benefits paid	-	(135.13)
Closing fair value of plan assets	**893.90**	**753.73**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

24 Disclosure of employee benefits as per Indian Accounting Standard (IND AS 19) (Continued)
Employee benefits expense

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: Gratuity

	31 March 2019	31 March 2018
Gratuity fund (Kotak Mahindra Old Mutual life Insurance Ltd.)	100%	100%

(i) Gratuity

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	Years of Service	31 March 2019	31 March 2018
Discount rate		7.19%	7.42%
Expected rate of return on assets		7.19%	7.42%
Salary escalation rate (p.a.)		9.00%	9.00%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

Gratuity	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016	31 Mar 2015
Defined benefit obligation	1,524.15	1,299.82	1,117.38	801.19	620.39
Plan assets	893.90	753.73	758.31	581.94	525.47
Surplus / (deficit)	(630.25)	(546.09)	(359.07)	(219.25)	(94.92)
Experience adjustments on plan assets	6.47	(8.54)	25.81	(10.93)	34.97

The management has relied on the overall actuarial valuation conducted by the actuary.
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Discount rate:
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations

Salary Escalation Rate:
The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

	Period Ended 31 Mar 2019		Period Ended 31 Mar 2019	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Impact of increase in 100 bps on DBO	(105.04)	95.06	(91.40)	81.49
Impact of decrease in 100 bps on DBO	120.15	(88.20)	104.86	(75.25)

ii)Leave encashment

Amount of Rs. 289.42 Lakhs (31 March 2018 Rs. 156.10 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

Actuarial assumptions	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016	31 Mar 2015
Discount rate	7.19%	7.42%	6.67%	8.00%	9.19%
Salary escalation rate (p.a.)	9.00%	9.00%	9.00%	7.50%	7.50%

B) Defined contribution plans:

The Group makes contributions towards provident fund, Employee Pension Scheme and Employee State Insurance Scheme to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund, Employee Pension Scheme and Employee State Insurance Scheme is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said provident fund, Employee Pension Scheme and Employee State Insurance Scheme.

Amount of Rs. 855.34 Lakhs (31 March 2018 Rs. 775.25 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

25 Other expenses

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
Accessories and consumables		1,186.66		1,144.37
Animal feeding and maintenance		192.84		208.19
Contract labour charges		801.52		867.66
Power and fuel		1,461.48		1240.52
Freight and forwarding charges		1504.33		1,298.50
Rent (Refer Note : 30B)		389.44		498.20
Rates and taxes		250.72		305.00
Insurance		363.44		342.74
Excise duty paid		-		269.06
Repairs and maintenance:				
- Plant and machinery		453.18		317.64
- Buildings		310.15		248.26
- Others		118.25		113.22
Advertising and sales promotion		2,947.40		2,292.18
Sales Commission		3,315.30		3,111.69
Travelling and conveyance		2,796.74		2,653.45
Legal and professional fees		1,812.84		1,477.20
Printing and stationary		89.91		237.56
Payment to auditors (Refer Note : 25 A)		73.74		71.79
Analytical and inspection charges		1,311.48		1,130.23
Exchange loss on foreign currency fluctuations (net)		95.21		-
Provision for doubtful debts		240.00		250.00
Provision for doubtful advance and deposits		165.33		200.00
Bad debts	-		0.72	
Less: Provision for doubtful debts reversed	-	-	-	0.72
Research and development expenses (Refer Note : 31)		3,348.02		2,229.58
Property plant and equipment written off		7.37		46.53
Sundry balances written off		422.97		28.19
Distribution expenses		213.18		247.12
Corporate Social Responsibility (CSR) expenditure (Refer Note : 34)		247.54		86.89
Bank charges		123.58		85.77
Miscellaneous expenses		1,099.83		1,120.22
		25,342.45		**22,122.48**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

25A Payment to auditors

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Auditors' remuneration		
Statutory Audit fees	60.68	61.58
Fees for certification	8.08	6.91
Reimbursement of out-of-pocket expenses	0.48	-
Payments to tax auditors		
Tax audit fees	4.50	3.30
	73.74	**71.79**

26 Finance Costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on		
- Bank overdraft and others	838.58	1,151.76
Other borrowing cost	163.19	266.22
	1.001.77	**1,417.98**

27 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (Refer note 3)	1,383.71	1,836.13
Change in fair value of biological asset (Refer note 4)	5.99	6.92
Amortisation of intangible assets (Refer note 5)	1,256.51	1,143.50
	2,646.21	**2,986.55**

28 Contingent Liabilities not provided for

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
A	Claims against Group not acknowledged as debt:		
	Service tax demand disputed in appeal, advances paid in dispute Rs 75 Lakhs	397.24	397.24
	(31 March 2018 Rs 75 Lakhs)		
	Income tax demand disputed in appeal;advances paid in dispute Rs Nil (31 March 2018 Rs Nil)	935.25	935.25
		1,332.49	**1,332.49**
B	There are numerous interpretative issues relating to the Honourable Supreme		
	Court judgement on Provident Fund dated 28-Feb-2019. As a matter of caution,		
	the Company has made a provision on a prospective basis from the date of the		
	said order. The Company will update its provision, on receiving further clarity		
	on the subject.		

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

28 Contingent Liabilities not provided for (Continued)

Notes

28.1 Management considers that the service tax and income tax demands received from the authorities are not tenable against the Group, and therefore no provision for these tax contingencies have been made.

28.2 The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have materially adverse effect on its consolidated financial statements.

29 Commitments

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
1	Estimated amount of contracts remaining to be executed on Capital	509.99	934.29
	Accounts -net off advance paid **Rs 77.70 Lakhs** (31 March 2018 Rs 263.73 Lakhs)		
2	Other Commitments-Non Cancellable Operarting Lease (Refer Note 30)	165.62	456.11

30 Leases

The Group has entered into finance and operating lease agreements. As required under Ind AS 17 on 'Leases', the future minimum lease payments on account of each type of lease are as follows:

A.Finance Leases / Hire Purchase (Computer & peripherals)

The assets acquired on finance lease comprises of equipments, leasehold improvements, office equipments, electrical installation and furniture. The minimum lease rentals, the present value of minimum lease payments and finance charges as at year end in respect of assets acquired under finance lease / Hire purchase are as follows:

Particulars	Future lease Payment		Present value of future minimum lease payments		Finance charge	
As at 31 March	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Not later than one year	224.98	224.98	184.91	164.17	40.08	60.81
Later than one year and not later than five years	230.21	455.18	214.76	399.67	15.44	55.52
Later than five years	-	-	-	-	-	-
TOTAL	**455.19**	**680.16**	**399.67**	**563.84**	**55.52**	**116.33**

The salient features of a finance lease / hire purchase agreement are:
- Option to purchase the assets will be at the end of the lease term / hire purchase on payment of a nominal option price.
- In the event of default, the lessee / hirer is responsible for payment of all costs of the owner including the financing cost and other associated costs. Further a right of repossession is available to the lessor / owner.
- Under some of the agreements, refundable interest free deposits have been given.
- The Lessee / Hirer is responsible for maintaining the assets as well as insuring the same.

The Group was in compliance with all its corporate and financial covenants as at 31 March 2019.

B.Operating leases

The Group has entered into non cancellable operating lease agreements for various premises & other equipments under cancellable and non-cancellable operating leases.

The future minimum lease payment in respect of non-cancellable period as at 31 March 2019 are as follows :

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

30 Leases (Continued)

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	101.12	290.49
Later than one year and not later than five years	64.50	165.62
Later than five years	-	-
TOTAL	**165.62**	**456.11**

The salient features of an operating lease agreement are:
- There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Group.
- Some of the agreements provide for escalation in rent during the lease term.
- Under some of the agreements, refundable interest free deposits have been given.

During the year an amount of **Rs. 389.44** lakhs was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (31 March 2018 : Rs. 498.20 lakhs)

31 Research and development

Research expenses incurred during the year and debited to statement of profit and loss aggregating **Rs. 4,356.31 Lakhs** (31 March 2018 : Rs. 3,027.06 Lakhs). The details of research and development expenditure are as under:

Particulars	Note	31 March 2019	31 March 2018
A) Revenue expenditure			
I) Salary, wages and other benefits	24	1,008.29	797.48
ii) Research and developmen expenditure	25		
Chemicals and accessories		635.68	578.94
Analytical and Inspection		1,422.63	585.27
Clinical trial Charges		416.85	451.78
Repairs and maintenance		117.91	88.44
Patent expenses Foreign		73.30	67.69
Patent expenses Domestic		86.36	13.84
Rent		131.87	131.57
Electricity		90.67	68.80
Other expenses		372.75	243.25
		3,348.02	**2,229.58**
Total revenue expenditure (i+ii)		**4,356.31**	**3,027.06**
B) Capital expenditure			
Lab Equipments		107.75	62.61
Furniture and Fixtures		0.81	3.24
Total capital expenditure		**108.56**	**65.85**
Total research and development expenditure (A + B)		**4,464.87**	**3,092.91**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

32 Earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit after tax	10,375.91	7,937.44
Net profit for calculation of EPS (A)	**10,375.91**	**7,937.44**
Weighted average number of equity shares for calculating EPS		
Equity Shares	187.35	187.35
Convertible preference shares	20.03	20.03
Weighted average number of equity shares in calculating EPS (B)	**207.38**	**207.38**
Basic earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**50.03**	**38.27**
Diluted earnings per share of face value of Rs 5 each (A)/(B) (Rs.)	**50.03**	**38.27**

33 Segment Reporting

Basis for Segmentation

The operations of the Group are limited to one segment viz. Biopharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Group Chief Operating Decision Maker (CODM) reviews the internal reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for interGroup eliminations, adjustments etc.) on a periodic basis.

Entity-wide disclosures

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets. i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Revenue from Operations:		
Country of Domicile-India	56,918.34	53,447.57
Outside India	30,873.60	21,116.43
	87,791.94	**74,564.00**
b) Non-Current assets (Other than Deferred Tax Assets):		
Country of Domicile-India	25,748.74	26,604.82
Outside India	2,783.99	2,849.37
	28,532.73	**29,454.19**

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue during the year

34 Corporate Social Responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Group. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

a. The gross amount required during the year to be spent by the company was **Rs.141.18 Lakhs** (31 March 2018: Rs. 114.62 Lakhs)

b.Particulars of amount spent during the year on:

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

34 Corporate Social Responsibility (Continued)

	In Cash	Yet to be paid	Total
1) Construction / Acquisition of assets	-	-	-
	(-)	(-)	(-)
2) On purposes other than (i) above	**247.54**	-	**247.54**
	(86.89)	(-)	(86.89)
Total for the Year ended 31 March 2019	**247.54**	-	**247.54**
Total for the Year ended 31 March 2018	(86.89)	(-)	(86.89)

Note: The Company has made a total commitment of Rs. 99.75 Lakhs to be spend pertaining to FY 2018-19 as on balance sheet date which has been spent subsequently before the date of signing of the balance sheet.

35 Dividend Paid & Proposed.

Dividends on equity shares were declared and paid by the group during the year.

Particulars	Dividend Per Share (Rs)	Year ended 31 March 2019	Dividend Per Share (Rs)	Year ended 31 March 2019
Dividend on equity shares	**2.50**	**468.38**	1.38	257.61
Dividend on Convertible preference shares	**2.50**	**50.07**	1.38	27.54
Dividend distribution tax		**106.57**		58.05

36 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019

A. List of related parties and their relationship

a **Key Managerial Personnel ("KMP")**	
Mr.Bharat V Daftary	Chairman and Managing Director
Dr.Gautam V Daftary	Vice Chairman and Managing Director
Mr.Siddharth B Daftary	Executive Director
Mr.Girish Bakre	Executive Director (upto 31 August 2018)
Mr. Sushil Gulati	Chief Operating Officer (from 06.06.2017 to 20.11.2017)
Mr. Roopesh Bhargava	Chief Operating Officer (from 01.11.2017)
Mr. Anil Madhusudan Damle	Chief Financial Officer
Mr. Charudatta Sambhaji Samant	Company Secretary
Mr. Shahzaad Siraj Dalal	Independent Director
Mr. Suketu Viren Shah	Independent Director
Mr. Suresh Lal Goklaney	Independent Director
Mr. Nitin Jagannath Deshmukh	Independent Director
Mr. Ajeet Singh Karan	Independent Director
Mr. Nafeesa Adil Moloobhoy	Independent Director
Mr. Sunny Sharma	Independent Director

b	**Relatives of Key Mnanagerial Personnel ("KMP") with whom transactions have taken place during the year**	
	Mrs.Anjali Bakre	Wife of Mr.Girish Bakre (upto 31 August 2018)
	Mr. Akshay G Daftary	Son of Dr. Gautam V Daftary
	Mr. Karan G Daftary	Son of Dr. Gautam V Daftary

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

36 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019 (Continued)

A. List of related parties and their relationship (Continued)

c	**Entities over which Key Management Personnel and their relatives have significant influence or control and with whom transactions have taken place during the year ("Entities")**
	SIRO Clinpharm Private Limited
	Advy Chemicals Private Limited
	Aksigen Hospital Care
	Advy Co. Japan Limited

Details of Transactions with Related Parties

Sr No	Particulars	Years ended 31 March 2018			
		KMP	Relatives of KMP	Entities	Total
		a	b	c	
1	Purchase of services	-	-	32.13	32.13
		-	-	(216.09)	(216.09)
2	Reimbursement of expenses	-	-	-	-
		-	-	(5.84)	(5.84)
3	Recovery of expenses	-	-	32.74	32.74
		-	-	(1.28)	(1.28)
4	Advance given	-	-	3.70	3.70
		-	-	-	-
5	Remuneration *	745.88	-	-	745.88
		(667.98)	-	-	(667.98)
6	Sitting Fees to Non Executive Directors	10.89	-	-	10.89
		(14.89)	-	-	(14.89)
7	Purchase of goods	-	-	9.74	9.74
		-	-	(25.72)	(25.72)
8	Sale of goods	-	-	30.54	30.54
		-	-	(130.28)	(130.28)
9	Sale of services	-	-	35.35	35.35
		-	-	(62.65)	(62.65)
10	Professional fees expenses	-	-	126.94	126.94
		-	-	(0.50)	(0.50)
11	Salary paid	-	-	-	-
		-	(43.72)	-	(42.72)

***Key management personnel Remuneration**

Key management personnel remuneration comprised the following:

Pariticulars	Year ended 31 March 2019	Year ended 31 March 2018
Remuneration	690.29	636.32
Post-employment benefits	44.70	16.77
Sitting fees to independent director	10.89	14.89
	745.88	**667.98**

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Figures in the brackets are the comparative figures of the previous year.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

36 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019 (Continued)

Significant related party transaction

Sr No	Transaction	Related Party Transaction	Year ended 31 March 2019	Year ended 31 March 2018
1	**Purchase of services**			
	Advy Chemicals Private Limited	Entities	32.13	-
	SIRO Clinpharm Private Limited	Entities	-	185.62
2	**Purchase of goods**			
	Advy Chemicals Private Limited	Entities	9.74	23.58
3	**Sale of goods**			
	Aksigen Hospital Care	Entities	-	130.28
	Advy Chemicals Private Limited	Entities	30.54	-
4	**Professional fees expenses**			
	SIRO Clinpharm Private Limited	Entities	126.94	-
5	**Sale of Services**			
	Advy Chemicals Private Limited	Entities	35.35	61.27

Balance due from / to related party

Sr No	Particulars	As at 31 March 2019			
		Key Management personnel	Relatives of Key Management personnel	Entities	Total
1	Outstanding Receivables/ Advance	-	-	39.69	**39.69**
2	Outstanding Payables	-	-	2.81	**2.81**
3	Loan payable	106.78	-	-	**106.78**

Sr No	Particulars	As at 31 March 2018			
		Key Management personnel	Relatives of Key Management personnel	Entities	Total
1	Outstanding Receivables/ Advance	-	-	94.36	**94.36**
2	Outstanding Payables	-	-	7.11	**7.11**
3	Loan payable	106.78	-	-	**106.78**

37 Financial instruments – Fair values and risk management

A Accounting classification and fair value

The Group uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

The carrying amounts and fair values of financial instruments by catergory are as follows:

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management

a. Financial assets

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2019							
Non Current - Loans	-	-	913.02	913.02	-	-	-
Current - Loans	-	-	1,373.35	1,373.35	-	-	-
Trade receivables	-	-	16,165.42	16,165.42	-	-	-
Cash and cash equivalents	-	-	2,118.78	2,118.78	-	-	-
Other Bank Balances	-	-	381.66	381.66	-	-	-
Other non-current financial assets	-	-	118.98	118.98	-	-	-
Other current financial assets	-	-	28.10	28.10	-	-	-
Total	-	-	**21,099.31**	**21,099.31**	-	-	-
As at 31 March, 2018							
Non Current - Loans	-	-	513.32	513.32	-	-	-
Current - Loans	-	-	1,324.45	1,324.45	-	-	-
Trade receivables	-	-	14,590.77	14,590.77	-	-	-
Cash and cash equivalents	-	-	1,121.33	1,121.33	-	-	-
Other Bank Balances	-	-	209.84	209.84	-	-	-
Other non-current financial assets	-	-	156.91	156.91	-	-	-
Other current financial assets	-	-	77.85	77.85	-	-	-
Total	-	-	**17,994.47**	**17,994.47**	-	-	-

b. Financial liabilities

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2019							
Non Current Borrowings (including current maturity of long term debts)	-	-	5247.27	5247.27	- -	- -	- -
Current Borrowings	-	-	544.95	544.95	-	-	-
Trade payables	-	-	7070.61	7070.61	-	-	-
Other current financial liabilities	-	-	3207.17	3207.17	-	-	-
Total	-	-	**16,070.00**	**16,070.00**	-	-	-

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March, 2018							
Non Current Borrowings (including current maturity of long term debts)	-	-	6,991.74	6,991.74	- -	-	- -
Current Borrowings	-	-	7,796.43	7,796.43	-	-	-
Trade payables	-	-	5,958.24	5,958.24	-	-	-
Other current financial liabilities	26.75	-	4,039.80	4,066.55	-	26.75	-
Total	**26.75**	-	**24,786.21**	**24,812.96**	-	**26.75**	-

B Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value

a) The fair value of the financial instrument is determined using mark to market which is based on management estimates.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

The Group has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

I) Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group's, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group's

ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activites (primarily trade receivables) and from its financing/investing activities, including investments in deposits with banks. The Group has no significant concentration of credit risk with any counter party.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade Receivables

Trade receivables are consisting of a large number of customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The management has established a credit policy under which each new customer is an alysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2019, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	31 March 2019	31 March 2018
India	8,808.79	8,579.26
Otuside India	7,356.79	6,011.51
	16,165.42	**14,590.77**

The Group exposure to credit risk for trade receivables by type of counter party is as follows:

Particulars	31 March 2019	31 March 2018
Stockists	4,227.79	3,108.84
Institution	4,581.00	5,470.42
Otuside India	7,356.79	6,011.51
	16,165.42	**14,590.77**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

Impairment

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever.

At 31 March 2019, the ageing of trade receivables that were not impaired was as follows.

Particulars	31 March 2019	31 March 2018
Not past due	11,753.03	11,011.54
Past due 1-180 days	3,320.61	2,680.73
Past due more than 180 days	1091.78	898.50
	16,165.42	**14,590.77**

Expected credit loss (ECL) assessment for Trade Receivables as at 31 March 2019

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of loss and are aligned to external credit rating definitions.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an expected credit loss rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

Particulars	31 March 2019	31 March 2018
Balance as at the beginning of the year	250.00	-
Impairment loss recognised	240.00	250.00
Amounts written off	-	-
Balance as at the end of the year	**490.00**	**250.00**

Investments, Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

iii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Group trade receivables are due for maturity within 21 days for stockiest and 30 days for institution and case to case basis for exports from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 30-45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated if any, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31-Mar-19	Contractual Cash Flows				
	Carrying Amount	Total	Less Than 1 year	1-5 year	More Than 5 year
Non-derivative financial liabilities	544.95	544.95	544.95	-	-
Short term borrowings	5,247.27	5,247.27	1,659.36	3,587.91	-
Long term borrowings	7,070.61	7,070.61	7,070.61	-	-
Trade payables	3,207.17	3,207.17	3,207.17	-	-
Other financial liabilities current					
	16,070.00	**16,070.00**	**12,482.09**	**3,587.91**	-

The derivative financial liabilities disclosed in above table represent contractual undiscounted cash flows relating to derivative instrument held for risk management purposes and which are not usually closed out before contractual maturity.

31-Mar-18	Contractual Cash Flows				
	Carrying Amount	Total	Less Than 1 year	1-5 year	More Than 5 year
Non-derivative financial liabilities					
Short term borrowings	7,796.43	7,796.43	7,796.43	-	-
Long term borrowings	6,991.74	6,991.74	2,230.82	4,760.92	-
Trade payables	5,958.24	5,958.24	5,958.24	-	-
Other financial liabilities current	4,039.80	4,039.80	4,039.80	-	-
Derivative financial liabilities					
Forward Contract Foreign Exchange (net)	26.75	26.75	26.75	-	-
	24,812.96	**24,812.96**	**20,052.04**	**4,760.92**	-

The derivative financial liabilities disclosed in above table represent contractual undiscounted cash flows relating to derivative instrument held for risk management purposes and which are not usually closed out before contractual maturity.

iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. could affect the Group's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

The Group as a policy doesn't enter into any derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Rupee and foreign currencies has kept constant in the last year and as per company may be stable in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), and British Pound (GBP) etc..

(a) Foreign Exchange Derivatives and Exposures outstanding at the year end

The Group uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain foreign currency working capital loan. Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain receivables and payables.

The forward exchange contracts entered into by the Group and outstanding are as follows:

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

Currency	No. of contracts	Type	US $ (In Lakhs)	INR equivalent
31 March 2019	-	Buy	-	-
	-	Sell	-	-
31 March 2018	4	Buy	10.23	666.74
	1	Sell	2.88	187.70

Currency Risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Group is Indian Rupee. The Group has exposure to USD, EURO, GBP, SGD, CHF and AUD. The Group has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 in there respective currencies are as below:

Particulars	31 March 2019		31 March 2018	
	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in Local currency (Lakhs)
Financial assets				
Non current Deposit				
USD	4.06	280.86	-	-
Trade receivables				
USD	66.04	4,567.05	41.94	2,613.24
EURO	10.85	842.69	6.52	527.23
Cash and Cash Equivalents				
USD	0.90	62.28	1.57	102.18
EURO	0.13	10.17	0.27	21.64
Other current assets				
GBP	-	-	2.47	228.33
EURO	1.45	108.60	9.90	799.68
USD	2.96	208.13	22.68	1,377.83
CHF	0.02	1.67	-	-
SGD	0.03	1.53	-	-
Financial liabilities				
Long term borrowings				
USD	28.21	1,950.87	104.34	6,769.71
Short term borrowings				
EURO	5.64	438.17	5.66	457.04
Trade and other payables				
EURO	3.38	262.98	4.65	376.09
USD	5.91	408.11	32.37	2109.72
GBP	0.17	15.72	2.63	242.37
Other current liabilities				
USD	2.90	200.56	0.14	9.28
Net foreign currency exposure as at 31 March				
EURO	3.41	260.31	6.38	515.42
GBP	(0.17)	(15.72)	(0.16)	(14.04)
USD	36.94	2,558.78	(70.66)	(4,795.46)
CHF	0.02	1.67	-	-
SGD	0.03	1.53	-	-
Total	**40.23**	**2,806.57**	**(64.44)**	**(4,294.08)**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

For the purpose of financial statement reporting, their currency exposure are measured at the following year-end exchange rates.

INR	Year end spot rate	
	31-Mar-19	31-Mar-18
EURO	77.67	80.81
GBP	90.53	92.28
USD	69.16	65.18
CAD	51.54	50.65
CHF	69.43	68.50
SGD	51.04	49.82

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Profit & (loss) before tax	31-Mar-19		31-Mar-18	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
EURO	26.49	(26.49)	51.56	(51.56)
GBP	(1.54)	1.54	(1.48)	1.48
USD	255.46	(255.46)	(460.56)	460.56
CHF	0.14	(0.14)	-	-
SGD	0.15	(0.15)	-	-

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	31-Mar-19	31-Mar-18
Fixed-rate instruments		
Financial assets	1,015.98	1,055.91
Financial liabilities	919.64	1,101.16
Variable-rate instruments		
Financial liabilities	4,557.83	13,580.23

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have any material impact on the equity

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

37 Financial instruments – Fair values and risk management *(Continued)*

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit/(loss) - Increase /(Decrease) in profit	
	31-Mar-19	31-Mar-18
Interest rates – increase by 100 basis points	(45.85)	(135.80)
Interest rates – decrease by 100 basis points	45.85	135.80

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group adjusted net debt to equity ratio was as follows

Particulars	As at 31-Mar-19	As at 31-Mar-18
Total Borrowings (Including current portion of Long term debts)	5,792.22	14,788.17
Less : Cash and cash equivalent	2,500.44	1,331.17
Net debt	**3,291.78**	**13,457.00**
Total equity	48,936.78	37,964.75
Net debt to equity ratio	0.07	0.35

38 Merger of Kasiak Research Pvt Ltd.

In Previous Year, the National Group Law Tribunal ("NCLT"), Mumbai bench vide its Order dated 04 September 2018 has approved the Scheme of Merger of Kasiak Research Pvt Ltd ("Kasiak") with the Group. The Scheme was approved by the Board of Directors on 28 March 2018 with an appointed date of 1 April 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies, Maharashtra, the Scheme becomes effective in the year ended March 31, 2018.

Since both the entities are controlled by the same Group of individuals acting together under a contractual arrangement, the same is treated as a common control business combination. Accordingly, the merger has been accounted using the pooling of interest' method (in accordance with the approved Scheme). Pursuant to the Scheme, the unabsorbed tax losses of Kasiak are available to the Group, and accordingly, the same has been recognized in the year ended 31 March 2018. he same is treated as a common control business combination. Accordingly, the merger has been accounted using the 'pooling of interest' method (in accordance with the approved Scheme). Pursuant to the Scheme, the unabsorbed tax losses of Kasiak are available to the Group, and accordingly, the same has been recognized in the year ended 31 March 2018.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

38 Merger of Kasiak Research Pvt Ltd. (Continued)

As per the terms of the Scheme of Amalgamation, purchase consideration has been determined at Rs 2,884.77 lakhs. Out of which Rs.1,891.06 Lakhs was paid in cash during year ended 31 March 2018 and balance of Rs.993.71 lakhs was settled in current year through issue of 1,04,221 Equity Shares of INR. 5 each and 1,97,69,917 Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of INR. 5/-each of the Company. The difference between purchase consideration and net asset on effective date of Rs 2554.81 lakhs have been debited to capital reserve during the previous year.

Details of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) issued:

a)

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Authorised				
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS')	19,800,000	990.00	-	-
Issued, subscribed and fully paid up				
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS')	19,769,917	988.50	-	-

b)

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Reconciliation of the number of preference shares				
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS')			-	-
At the beginning of the period				
Add: Fresh issue of preference shares	19,769,917	988.50		
At the end of the period	**19,769,917**	**988.50**	-	-

C) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31March 19		As at 31 March 18	
	No of shares	%holding in the	No of shares	%holding in the
NCNCRPS of Rs.5 each fully paid				
Gautam V. Daftary	7,476,565	37.82%	-	-
Bharat V. Daftary	7,477,512	37.82%	-	-
Anand Daftary	4,815,840	24.36%	-	-
	19,769,917	**100.00%**	-	-

D) 0.01% Non-Convertible Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS') were issued by company on 28 March 2019 (Redeemable at par on 27 March 2038). Following are the details:

Name of the shareholder	As at 31March 19	As at 31 March 18
0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 5/- each ('NCNCRPS')		
Classified in following two categories		
Equity component of compound financial instrument	780.53	-
Liability component of compound financial instrument	207.97	-
	988.50	-

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

39 Recent accounting pronouncements

On march 30, 2019 Ministry of Corporate Affairs ("MCA") has notified the following new and amendments to Ind Ass which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019

Ind AS 116 Leases

On March 30, 2019, the ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretation. The standard sets out the principle for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e, the lessee and the lessor . Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize the assets and liabilities for all the leases for both the parties to a contract i.e, the lessee and the lessor Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize the assets and liabilities for all the leases with the term of more than twelve months , unless the underlying asset is of low value .Currently operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

The effective date for the adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments , discounted at the incremental borrowing rate and the right of use of asset either as :

- Its carrying amount as if the standard has been applied since the commencement date, but discounted at the date , but discounted at the lessee's incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability , adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods

Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, the ministry of corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses , unused tax credits and tax rates , when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determined the probability of the relevant tax authority accepting each tax treatment, or group of tax treatment, that the companies have used or plan to use in their income tax filling which has to be considered to compute the most likely amount or expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The Standard Permits two possible methods of transition:

- Full Retrospective Approach- Under this approach, Appendix C will be applied retrospectively to each prior Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect on initially applying Appendix C recognized by adjusting equity on initialapplication, without adjusting comparatives The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives .

Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

Amendment to Ind AS 12, Income Taxes

On March 20, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution tax.

The amendments clarifies that an equity shall recognize the income tax consequences of dividends in Profit or Loss, other comprehensive income or equity according to where the entity originally recognize those past transactions or events.

Effective date for the application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment.

Ammendment to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailment and settlement:

The amendment requires an entity:

• To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment and
settlement ; and

• To recognize in profit or loss as part of past service cost, or a gain or a loss on settlement, any reduction in a surplus even if that surplus was not previously
recognize because of the impact of the asset ceiling .

Effective date for application of this amendment is annual period beginning on or after April 1 , 2019. The Company does not have any impact on account of this amendment.

40 Disclosure of additional information pertaining to Parent Group and subsidiaries

Sr No	Name of entity	31- Mar- 2019							
		Net Assets i.e. total assets minus total liabilities		Share in profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated Profit / Loss	Amount (Rs. Lakhs)	As % of consolidated OCI	Amount (Rs. Lakhs)	As % of consolidated TCI	Amount (Rs. Lakhs)
1	Parent	95.14%	48,864.94	95.20%	9,670.52	100.00%	54.35	95.22%	9,724.87
2	Subsidiaries								
	a) BSV Bioscience GmbH	5.42%	2,782.83	8.02%	815.09	0.00%	-	7.98%	815.09
	b) BSV Bioscience Inc.	0.12%	61.81	0.46%	47.22	0.00%	-	0.46%	47.22
	c) BSV Bioscience Philippines Inc	-0.36%	(182.72)	-3.68%	(373.77)	0.00%	-	-3.66%	(373.77)
	d) Eurolife Regen Private Limited	-0.32%	(163.26)	0.00%	-	0.00%	-	0.00%	-
	Total	**100.00%**	**51,363.60**	**100.00%**	**10,159.06**	**100.00%**	**54.35**	**100.00%**	**10,213.41**
	Add: Adjustment arising out of consolidation		(2,426.82)		216.85		381.05		597.90
	Total		**48,936.78**		**10,375.91**	**100.00%**	**435.40**	**100.00%**	**10,811.31**

Sr No	Name of entity	31- Mar- 2019							
		Net Assets i.e. total assets minus total liabilities		Share in profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated Profit / Loss	Amount (Rs. Lakhs)	As % of consolidated OCI	Amount (Rs. Lakhs)	As % of consolidated TCI	Amount (Rs. Lakhs)
1	Parent	95.00%	38,990.58	90.31%	7,377.09	100.00%	18.60	90.33%	7,395.69
2	Subsidiaries								
	a) BSV Bioscience GmbH	4.89%	2,005.89	8.49%	693.57	0.00%	-	8.47%	693.57
	b) BSV Bioscience Inc.	0.03%	14.23	0.64%	52.66	0.00%	-	0.64%	52.66
	c) BSV Bioscience Philippines Inc	0.48%	196.76	0.78%	63.59	0.00%	-	0.78%	63.59
	d) Eurolife Regen Private Limited	-0.40%	(162.72)	-0.22%	(17.91)	0.00%	-	-0.22%	(17.91)
	Total	**100.00%**	**41,044.74**	**100.00%**	**8,169.00**	**100.00%**	**18.60**	**100.00%**	**8,187.60**
	Add: Adjustment arising out of consolidation		(3,079.99)		(231.56)		264.52		32.96
	Total		**37,964.75**		**7,937.44**		**283.12**		**8,220.56**

Notes to the Consolidated IND AS financial statements *(Continued)* (as at 31 March 2019)

(Currency : Indian rupees in Lakhs)

41 Government Grants

The Group had received government grant which was capitalised in 2014-15 amounted to Rs 637.97 Lakhs with respect to Amphomul project. This grant, recognized as deferred income, is being amortized over the usefulz life of the Intangible assets in proportion in which the related depreciation expense is recognised.

42 The financial statements of the Company for the year ended March 31, 2018 were audited by B S R & Co. LLP, Chartered Accountants, the predecessor auditor.

43 Previous years figures for the previous year have been regrouped wherever necessary to correspond with the current year's classification /disclosure.

For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited
CIN :U24230MH1971PLC015134

Sd/-
Bharat V Daftary
Chairman and Managing Director
DIN : 00011518

Sd/-
Gautam V Daftary
Managing Director
DIN : 00009326

Place: Mumbai
Date: 30 July 2019

Sd/-
Anil M Damle
Chief Financial Officer

Sd/-
Charudatta S Samant
Company Secretary
Membership No: A22337

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Bharat Serums & Vaccines Limited

CIN: U24230MH1971PLC015134

Registered Office: 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

Name of the member (s): ______________________________

____

Registered address: ______________________________

____

E-mail Id: ______________________________

Folio No/ Client Id: DP ID: ______________________________

I/We, being the member (s) of Equity shares of the above-named Company, hereby appoint

1. **Name:** ______________________________

   Address: ______________________________

   E-mail Id: ______________________________

   Signature: ______________________________ or failing him

2. **Name:** ______________________________

   Address: ______________________________

   E-mail Id: ______________________________

   Signature: ______________________________ or failing him

3 **Name:** ______________________________

   Address: ______________________________

   E-mail Id: ______________________________

   Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, August 30, 2019 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Signed this ______ day of ____________ 2019.

Signature of shareholder

____

Signature of Proxy holder(s)

Affix

Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

46th Annual General Meeting of the members of **"Bharat Serums & Vaccines Limited"** scheduled to be held on Friday, August 30, 2019 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

Regd. Folio No.________________________ /DP ID______________________

Client ID/Ben. A/C ______________________ No. of shares held______________

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 46th Annual General Meeting of the Company scheduled to be held on Friday, August 30, 2019 at 03.00 p.m., at the Registered Office of the Company at 17th Floor, Hoechst House, Nariman Point, Mumbai 400021, Maharashtra, India.

________________________ ________________________

Member's/Proxy's name in Block Letters Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

Note

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Note